



## **Assurance, Risk and Finance Committee Meeting Agenda – 29 May 2024**

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### **NOTICE OF MEETING**

This meeting will be held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference, commencing at 2:30pm. The meeting will be held in public and will be live-streamed and will be available to view on our [YouTube channel](#).

**Membership:** Bruce Robertson (Independent Chair), Mayor Martin Connelly, Councillor Colin Olds, Councillor Kaye McAulay, Councillor Aaron Woodcock, Councillor Martin Bosley and (Māori Standing Committee representative – to be named).

All meeting agendas and minutes can be found on the SWDC website: <https://swdc.govt.nz/meetings/>

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### **Open Section**

**A1. Mihi / Karakia Timatanga – Opening**

Kia hora te marino

May peace be widespread.

Kia whakapapa pounamu te moana

May the sea be like greenstone; a  
pathway for all of us this day.

Hei huarahi mā tatou I te rangi nei

Aroha atu, aroha mai

Let us show respect for each other, for  
one another.

Tātou i a tātou katoa.

Bind us all together.

**A2.** Apologies

**A3.** Conflicts of interest

**A4.** Public participation

*As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.*

**A5.** Actions from public participation

**A6.** Extraordinary business

**A7.** Confirmation of Minutes

**Proposed Resolution:** *That the minutes of the Assurance, Risk and Finance Committee meeting held on 21 February 2024 and 24 April 2024 are a true and correct record.*

**A8.** Matters arising from previous minutes.

<b>B</b>	<b>Decision Reports from Chief Executive and Staff</b>	
	<b>B1.</b> Insurance Renewal 2024	Pages 11-15
<b>C</b>	<b>Information Reports from Chief Executive and Staff</b>	
	<b>C1.</b> Finance Report	Pages 16-31
	<b>C2.</b> Annual Tax Update	Pages 32-33
	<b>C3.</b> Audit Update	Pages 34-59
	<b>C4.</b> Risk Management Update	Pages 60-80
	<b>C5.</b> Health, Safety and Emergency Management Report	Pages 81-93
	<b>C6.</b> People Report	Pages 94-103
	<b>C7.</b> Action Items	Pages 104-107
<b>D.</b>	<b>Karakia Whakamutunga - Closing</b>	
	Kua mutu ā mātou mahi	Our work has finished
	Mō tēnei wā	For the time being
	Manaakitia mai mātou katoa	Protect us all
	Ō mātou hoa	Our Friends
	Ō mātou whānau	Our Family
	Āio ki te Aorangi	Peace to the universe



## **Assurance, Risk and Finance Committee Minutes from 21 February 2024**

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<b>Present:</b>	Bruce Robertson (Independent Chair)(via Zoom), Councillor Colin Olds, Councillor Kaye McAulay, and Narida Hooper (Māori Standing Committee) (via Zoom from 2.03pm).
<b>Apologies:</b>	Councillor Aaron Woodcock and Mayor Martin Connelly.
<b>In Attendance:</b>	Deputy Mayor Melissa Sadler-Futter.
<b>Also in attendance:</b>	Janice Smith (Chief Executive), Paul Gardner (General Manager Corporate Services), Amanda Bradley (General Manager Democracy and Engagement), Russell O’Leary (Group Manager Planning and Environment), Charly Clarke (Acting General Manager Finance), Robyn Wells (Principal Adviser Water Transition), Stefan Corbett (General Manager Partnerships and Operations) and Amy Andersen (Committee Advisor).
<b>Public forum:</b>	Derek Anderton.
<b>Conduct of Business:</b>	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 1:30pm to 4:03pm except where expressly noted.

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*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/01) to adjourn the meeting at 1:31pm and reconvene at 2:00pm.*

*(Moved Robertson/Seconded Cr Olds)*

Carried

Meeting reconvened at 2:02pm.

### **A Open Section**

#### **A1. Karakia Timatanga - Opening**

Cr Bosley opened the meeting with a karakia.

#### **A2. Apologies**

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/02) to accept apologies from Mayor Connelly and Cr Woodcock.*

*(Moved Cr Olds/Seconded Cr Bosley)*

Carried

Ms Hooper joined the meeting at 2:03pm.

**A3. Conflicts of Interest**

There were no conflicts of interest.

**A4. Public Participation**

Mr Anderton spoke to the Committee about the use of Standing Orders, the Statement of Compliance and queried a LGOIMA regarding how the previous Assurance and Risk committee was discharged, and elements of the Finance Report.

**A5. Actions from public participation**

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/03) to acknowledge Mr Anderton's public participation.*

*(Moved Robertson/Seconded Cr Bosley)*

Carried

**A6. Extraordinary Business**

There was no extraordinary business.

**A7. Confirmation of minutes**

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/04) to accept:*

1. the minutes of the Assurance and Risk Committee meeting held on 25 October 2023 are a true and correct record; and
2. the public excluded minutes of the Assurance and Risk Committee meeting held on 25 October 2023 are a true and correct record.
3. the minutes of the Finance Committee meeting held on 25 October 2023 are a true and correct record.

[Items 1-3 read together]

*(Moved Robertson/Seconded Cr McAulay)*

Carried

**A8. Matters from previous minutes**

There were no matters arising from previous minutes.

**B Decision Reports from Chief Executive and Staff**

**B1. Risk Policy Review and Risk Management Framework Report**

Ms Smith spoke to the report.

Members queried the wording on page 6 and requested change to "CE has ultimate operational responsibility for risk..."

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/05) to*

1. Receive the *Risk Policy Review and Risk Management Framework Report*.
2. Adopt the draft Risk Policy.
3. Adopt the draft Risk Management Framework.

[Items 1-3 read together]

*(Moved Cr McAulay/Seconded Cr Olds)*

Carried

**B2. Discretionary Expenditure Policy and Guidelines**

Ms Smith spoke to matters in the report and reasons for a review following the most the recent changes to the policy/guidelines. Ms Smith also highlighted the specific content which was changed to support best practice.

Members acknowledged the quality of the updates to the documentation.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/06) to*

1. Receive the 'Discretionary Expenditure Policy and Guidelines' Report.
2. Approve and adopt the revised 'Discretionary Expenditure Policy and Guidelines'.

[Items 1 and 2 read together]

*(Moved Robertson/Seconded Cr Bosley)*

Carried

**B3. Tax Governance Framework**

Ms Smith spoke to the matters included in the report, noting this is a new framework for Council.

Members queried whether there were any plans to complete an internal review of PAYE/GST/FBT. Ms Smith noted she would be engaging external support required to complete this review.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/07) to:*

1. Receive the *Tax Governance Framework* Report.
2. Adopt the draft Tax Governance Framework.

[Items 1 and 2 read together]

*(Moved Cr Olds/Seconded Cr McAulay)*

Carried

**C Information Reports from Chief Executive and Staff**

**C1. Finance Report**

Ms Smith spoke to matters included in the report and responded to queries from members including the current forecast position, statement of financial performance, Better Off funding (Three Waters Reform Transition assistance). Ms Clarke noted she would provide more information relating to rates in advance (debtors/creditors) – as per page 67 of the agenda.

Members also queried plans to repay smoothing loans, the reserves balance, capital expenditure and strategic challenges (e.g. Greytown Wheels Park, changes to IT hardware), penalties, plans for the next report and review of monthly finance data. Mr Robertson requested he be included in regular finance reporting updates via email.

Action 202: Request clarification why are rates balances in advance as a liability and an asset. *C Clarke*.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/08) to receive the Finance Report.*

*(Moved Robertson/Seconded Cr McAulay)*

Carried

**C2. Democracy and Engagement Update Report**

Ms Bradley spoke to matters included in the report. Members discussed the moving forward with enhanced AP and potential be.

Cr Olds left at 3:24pm.

Members discussed the significant risk register. Noted that a new addition would be included for Shared services (with Carterton and Masterton District Councils) – resetting and aligning the programme of work. All councils need to understand their commitments to the agreement. Noted a combined leadership group for the district will come together to discuss. Members also discussed the possible risks relating to reform and post-election changes to central government.

Cr Olds returned at 3:28pm.

Members queried risks relating to the management of consents, priorities and current focus for this year, as well as LGOIMA trends.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/09) to receive the Democracy and Engagement Update Report.*

*(Moved Cr Olds/Seconded Cr Bosley)*

Carried

**C3. Health & Safety Report**

Mr Gardner spoke to the matters in the report and responded to queries from members including: the approach to health and safety for contracts/tenders (risk appetite and management), compliance with legal requirements and the management of excessive speed.

Cr Bosley left the meeting at 3:57pm

Cr Bosley returned the meeting at 4.00pm.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/10) to receive the Health & Safety Report.*

*(Moved Robertson/Seconded Cr McAulay)*

Carried

**C4 Action Items Report**

Members agreed to close action 388.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/11) to receive the Action Items Report.*

*(Moved Robertson/Seconded Hooper)*

Carried

**D. Karakia Whakamutunga – Closing**

Cr Bosley closed the meeting.

The meeting closed at 4.03pm.

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)



**Assurance, Risk and Finance Committee  
Community and Youth Grants Considerations 2023-24  
Minutes from 24 April 2024**

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<b>Present:</b>	Bruce Robertson (Independent Chair)(via Zoom), Acting Mayor Melissa Sadler-Futter, Councillors Colin Olds, Martin Bosley, Kaye McAulay; and Narida Hooper (Māori Standing Committee).
<b>Apologies:</b>	Councillor Aaron Woodcock. Mayor Martin Connelly (Leave of absence - noted as per Standing Orders 13.3).
<b>Also in attendance:</b>	Councillors Rebecca Gray (via Zoom), Aidan Ellims, Pip Maynard.  Janice Smith (Chief Executive), Nicki Ansell (Acting General Manager Democracy and Engagement), Lina, Joelle, Robyn Ramsden (Lead Advisor Community Governance) and Amy Andersen (Committee Advisor).
<b>Applicants:</b>	Robbie Taylor, Owen Whiteman, Lisa Birrell, Graeme Gray, John McDowall, Michael Wilson, Steve Carlin, Sean Toohey, Sherie Pointon and Carmel Ferguson.
<b>Conduct of Business:</b>	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 9:00am to 11:30am.

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**A Open Section**

**A1. Karakia Timatanga - Opening**

Mr Robertson opened the meeting with a karakia.

**A2. Apologies**

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/12) to accept apologies Cr Woodcock.*

*(Moved Robertson/Seconded Acting Mayor Sadler-Futter)*

Carried

**A3. Conflicts of Interest**

There were no conflicts of interest.

**A4. Applicant speaking schedule**

Ms Ramsden confirmed the list of applicants attending to speak to the Committee.



## **B Community and Youth Grants Considerations as scheduled**

The following applications were heard by the Committee:

- Robbie Taylor, Featherston Memorial RSA -Facilities upgrade project.
- Owen Whiteman attending in person on behalf on behalf of Lisa Te Moananui – Kuranui College Adventure Racing Team.
- Lisa Birrell, Divine River NZ Trust – Delivering Wellbeing Workshops.
- Graeme Gray speaking on behalf of Joseph Gillard, Cobblestones Museum - Operational funding.
- John McDowall, Featherston Heritage Museum - Support for entry fees, events.
- Michael Wilson – Access Radio Wairarapa Charitable Trust (via Zoom)  
Continued development and maintenance of Access Radio in the Wairarapa.  
Noted that Cr Gray appeared in support of this particular application, not as a voting member of the Committee.

Acting Mayor Sadler-Futter left at 9:51am.

Acting Mayor Sadler-Futter returned at 9:53am.

- Steve Carlin, Greytown Junior Football Club - Purchasing of equipment.
- Sean Toohey attending on behalf of Robyn Cherry-Campbell, Life Education Trust Wairarapa, Tararua & Central Hawkes Bay (via Zoom) - Operational funding to assist with classroom maintenance and travel/transportation costs.
- Sherie Pointon – Wairarapa Sports Artificial Surface Trust – Replacement of the lights at their venue.
- Carmel Ferguson, Greytown Heritage Trust - Renovation of Kouka Cottage for the 30 year anniversary of the Trust.

Noted that the applicants for Future Leaders and House of Science did not attend to present.

Also noted there was one late application for Fareham Creative Space – applicant is unable to attend to present at short notice. The application was missed due to an administrative error.

## **C Decision Reports from Chief Executive and Staff**

### **C1. Grant Funding Allocations 2023-24 Report**

Ms Ramsden spoke to matters included in the report and members confirmed the approach to assessing applications.

Meeting adjourned at 10:27am.

Meeting reconvened at 10:32am.

Members completed the process of assessing the individual applications.

Ms Smith noted that the Grants Policy requires further updates to resolve issues relating to criteria and assessment.

For full details relating to the allocations of funding, please refer to Appendix 1.

*ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/13) to:*

- 1. receive the Grant Funding Allocations 2023-24 Report.*
- 2. note that the grant funding applications represent an over subscription of the grant funding available in this round and to acknowledge the applicants for their efforts and engagement in the process.*
- 3. grant community and youth grant applicants a combined total of \$32,200.00 to undertake projects as outlined in the table below:*

<b>Applicant</b>	<b>Amount Allocated</b>
Georgia-May Hill	\$0.00
Featherston RSA	\$4,000.00
Adventure Racing Team	\$2,000.00
House of Science	\$1,200.00
Greytown Heritage Trust	\$0.00
Cobblestones Museum	\$10,000.00
Featherston Heritage Museum	\$5,000.00
Access Radio	\$0.00
Greytown Junior Football Club	\$1,500.00

Life Education Trust	\$2,000.00
Wairarapa Sports Artificial Surface	\$5,000.00
Divine River	\$1,500.00
Fareham Creative Space Trust	\$0.00
	<b>\$32,200.00</b>

- request Council Officers to report back to grant funding applicants as soon as possible.

[Items 1-4 read together]

*(Moved Roberston/Seconded Cr Olds)*

Carried

**D. Karakia Whakamutunga – Closing**

Ms Edwards closed the meeting.

The meeting closed at 11:30am.

***Appendix 1 - Grant Funding Allocations 2023-24 (Round 2)***

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)

## Appendix 1

### Grant Funding Allocations 2023-24 (Round 2)

Applicant	Title of Grant	Amount Requested	Amount Allocated
Georgia-May Hill	Future Leaders Academy Programme	\$1,000.00	\$0.00
Featherston RSA	Facilities Upgrades Project	\$10,000.00	\$4,000.00
Adventure Racing Team	Support with Travel	\$2,000.00	\$2,000.00
House of Science	Science Kits	\$3,000.00	\$1,200.00
Greytown Heritage Trust	Renovate Kouka Cottage	\$1,000.00	\$0.00
Cobblestones Museum	Operational Funding	\$20,000.00	\$10,000.00
Featherston Heritage Museum	Operational Funding	\$5,000.00	\$5,000.00
Access Radio	Mobile Recording Services	\$3,000.00	\$0.00
Greytown Junior Football Club	Support purchasing equipment	\$1,500.00	\$1,500.00
Life Education Trust	Delivering Life Education	\$5,000.00	\$2,000.00
Wairarapa Sports Artificial Surface	Replace lights	\$10,000.00	\$5,000.00
Divine River	Delivering wellbeing workshops	\$3,000.00	\$1,500.00
Fareham Creative Space Trust	Upcycling Thursday Programme	\$2,850.00	\$0.00
<b>Total</b>		<b>\$67,350.00</b>	<b>\$32,200.00</b>

## Insurance Renewal 2024

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### 1. Purpose

To update the committee on the progress of the annual insurance renewal cycle.

### 2. Recommendations

Officers recommend that the Committee:

1. **Receive** the *Insurance Renewal 2024* report.
2. **Note** that an increase of \$68,000 has been made to the insurance expense budget for 2024/25.
3. **Approve** a minimum threshold of \$50,000 of asset value for inclusion in the schedule of assets covered by Council's material damage insurance policy.

### 3. Background

South Wairarapa District Council renews the insurance coverage on its assets and indemnities each year. By far the greatest component of the premiums is related to material damage coverage of physical assets such as buildings, pipes, treatment plants, etc. These assets are split into two categories:

#### 3.1 Underground infrastructure

The Local Authority Protection Programme (LAPP) Disaster Fund is SWDC's mechanism for ensuring that infrastructure assets underground are protected and restored in the event of catastrophic damage from natural disasters. Restoration costs in such events are split between central government (covering 60%) and local government authorities (covering 40%), which distributes the financial responsibility in a way that ensures both levels of government are invested in mitigating and recovering from such disasters. This arrangement not only helps to alleviate the burden on local authorities but also ensures that there's a coordinated effort between different levels of government in handling emergencies.

Since the development of the draft budget for the Annual Plan 2024/25 LAPP's board has indicated that coverage limits, which have remained static in recent years, need to be lifted over the next two years.

The budget presented in the consultation document had included a 20% uplift (\$34,000) in premium, however, the indication from LAPP is that the uplift could be anywhere between 40% (another \$34,000) and 80% (another \$102,000) when the renewal is notified in October.

The updated insurance budget for the Annual Plan 2024/25 has been increased by \$68,000, being the mid-point of the scenarios indicated by LAPP.

### **3.2 Other assets**

Our buildings, playgrounds, treatment plants, and other assets are covered in conjunction with Carterton and Masterton district councils. This gives our broker, Marsh, the opportunity to place insurance as a larger grouping, thus attracting a wider range of insurers.

Marsh representatives and council officers have previously presented to Council on mitigating premium increases whilst maintaining an acceptable risk profile. Low-value assets do not attract high premiums, but minor savings could be made by implementing a minimum threshold of \$50,000, below which Council takes on the risk of replacement costs itself.

Appendix One shows the list of assets covered by Council's material damage insurance policy. Highlighted in blue on the schedule are assets insured for sums under \$50,000, including ashes walls in the cemeteries, and ancillary sheds on various properties.

The deductible level for this policy is \$5,000. Although the savings in premium costs would be low, it is still valuable to implement an asset value threshold below which assets will not be included in the policy. Other advantages of excluding low-value assets from insurance schedules are reduced:

- **Likelihood of over-insurance** - Including low-value assets in material damage insurance may result in over-insurance if the coverage exceeds the actual replacement or repair cost of the assets. Over-insurance can lead to unnecessary premium payments and inefficient allocation of financial resources.
- **Claims Processing Delays**: Insurers may prioritise high-value claims over low-value ones, leading to delays in processing claims for low-value assets. This could prolong the time it takes for the insured to receive compensation for damage or loss, impacting business operations or personal finances.
- **Administrative Burden**: Managing a single insurance policy covering both high-value and low-value assets may increase administrative complexity, particularly in establishing asset values. Keeping track of numerous assets, their values, and corresponding coverage limits requires meticulous record-keeping and attention to detail.

## **4. Appendices**

Appendix 1 - SWDC 2023 Material Damage Insurance Premiums Summary

Contact Officer: Charly Clarke, Acting Finance Manager  
Reviewed By: Paul Gardner, Group Manager, Corporate Services

# **Appendix 1 - SWDC 2023 Material Damage Insurance Premiums Summary**

Description	Street Address	2023 Valuation Total Sum Insured	Total Premium 2023-24
<b>Featherston</b>			
Store Shed Recycling (Recycle Building)	Johnston Street	84,800	\$ 401
South Wairarapa Sports Stadium (Sports Complex)	54 Underhill Road	4,392,000	\$ 21,980
Toilet Block (Public Conveniences)	54 Underhill Road	242,200	\$ 1,141
Swimming Pools and Buildings	54 Underhill Road	2,743,500	\$ 12,502
Solar Heating (Pool Building Roof)	54 Underhill Road	25,200	\$ 145
Mathews Garden Flats (6 Pensioner Units)	53 Fox Street	1,132,600	\$ 3,923
Anzac & Kiwi Halls	Birdwood Street	5,000,000	\$ 24,875
Burling Flats (8 Pensioner Units)	Birdwood Street	1,027,000	\$ 3,829
Public Library	Fitzherbert Street	529,000	\$ 2,720
Heritage Museum Building (Museum)	Fitzherbert Street	303,300	\$ 1,760
Cenotaph	Fitzherbert Street	349,900	\$ 1,707
Dwelling - 65 Longwood Road	Featherston	608,200	\$ 1,895
Farm Homestead & bldgs	174 Murphys Line	2,001,700	\$ 6,080
Old Court House	Fox Street	618,000	\$ 2,906
Fell Engine (Machinery) Shed	Fox Street	1,215,700	\$ 5,998
Public Conviences	Fox Street	619,000	\$ 3,266
Menz Shed	Fox Street	165,000	\$ 949
Toilet - Lake Domain	Soldiers' Settlement Road	22,000	\$ 126
Card Reserve Toilets	Johnston Street	43,300	\$ 241
Water Supply Concrete Chlorination Shed	Boar Bush Gully Rd	15,000	\$ 86
WWTP UV Plant room and Ablution Area	Longwood Road	146,500	\$ 842
Shelter & interpretive signage - Peace Garden	Messines Way/SH2 Featherston	12,100	\$ 70
Woodside water supply to FTN	Waiohine Valley Road	2,469,100	\$ 14,195
Ashes wall #1 Featherston Cemetery	Western Lake Road	11,000	\$ 63
Ashes wall #2 Featherston Cemetery	Western Lake Road	11,000	\$ 63
Ashes wall #3 Featherston Cemetery	Western Lake Road	12,800	\$ 74
Ashes wall \$4 Featherston Cemetery	Western Lake Road	12,800	\$ 74
Town centre development - Paving		210,000	\$ 1,207
Town centre development - Pergolas x2		262,500	\$ 1,509
Town centre development - Stone work walls		136,500	\$ 785
Town centre development -bollards, seats, rubbish bins		42,000	\$ 241
Town centre development - electrical		42,000	\$ 241
Town centre development - other		119,700	\$ 688
Memorial Sculpture	Featherston Soldiers coppery sculptu	600,000	\$ 3,481
Featherston Golf Club and Club Rooms (Sports Clubrooms)	Viles Road off Western Lake Road, F	1,131,600	\$ 5,485
Dog Pound		820,000	\$ 4,585
Tauherenikau Cycle Bridge	Between Featherston and Underhill R	1,518,800	\$ 7,047
<b>Greytown</b>			
Cricket / Swimming Clubrooms & Artificial Wicket (Cricket Clu	11-55 Kuratawhiti Street	370,400	\$ 1,855
Camping Ground Amenities	11-55 Kuratawhiti Street	453,000	\$ 2,075
Camping Ground Facilities	11-55 Kuratawhiti Street	617,000	\$ 2,896
Swimming Complex (Memorial Baths)	11-55 Kuratawhiti Street	3,337,100	\$ 15,207
Cabins (new Cabins)	11-55 Kuratawhiti Street	28,900	\$ 154
Public Conviences (Public Toilet)	71 Main Street	145,200	\$ 774
Town Hall	89-93 Main Street	7,102,000	\$ 37,135
Old Library (Retail Building) okayed with Charly 16.05	115-117 Main Street	616,800	\$ 3,102
Westhaven Flats (6 Pensioner Units)	190 West Street	941,600	\$ 3,360
Storeshed (Warehouse)	West Street (223 West Street, Railwa	333,000	\$ 1,730
Borefield (incl. Bores, Pumps, Pipes, Fittings & Electrics	Waiohine Valley Road	902,100	\$ 5,186
Water Supply HDPE Pond Lining	Tauherinikau Valley Rd	206,700	\$ 980
Water Supply Raw Water Pump Stn & Rising Main	Tauherinikau Valley Rd	292,800	\$ 1,683
Water Supply Bore Pumps and Control Building	Tauherinikau Valley Rd	848,700	\$ 4,879
Water Supply Timbertank Reservoir incl Fittings	Tauherinikau Valley Rd	225,800	\$ 1,071
Water Supply Concrete Disinfectn Shed/Cntl Rm	Kuratawhiti Street	127,100	\$ 731
Supplementary Bore & Sheds	11-55 Kuratawhiti Street	781,300	\$ 4,492
Workhop & Implement Shed (No.1) - Menz Shed	West Street	319,700	\$ 1,568
Ti Kouka Cottage (cottage owned by lessee)	113 Main Street	547,400	\$ 2,816
Ashes wall #1 Greytown Cemetery	SH2	11,000	\$ 63
Ashes wall #2 Greytown Cemetery	SH2	11,000	\$ 63
Ashes wall #3 Greytown Cemetery	SH2	11,000	\$ 63
Ashes wall #4 Greytown Cemetery	SH2	11,000	\$ 63
Ashes wall #5 Greytown Cemetery	SH2	11,000	\$ 63
Shelter Greytown Cemetery	SH2	47,250	\$ 272
Papawai Implement Shed	Tilsons Road, Papawai	82,000	\$ 320
Papawai Hayshed	Tilsons Road, Papawai	35,000	\$ 137
Papawai Cowshed including farm power supply	Tilsons Road, Papawai	85,000	\$ 329
Papawai Pumpshed	Tilsons Road, Papawai	17,000	\$ 67



Description	Street Address	2023 Valuation Total Sum Insured	Total Premium 2023-24
<b>Martinborough</b>			
Water Supply Control Shed & Recording Bldg (Pump Building)	Hinakura Road Rural, South Wairarapa	42,800	\$ 204
Coronation Park Toilets	New York Street	132,900	\$ 727
Dwelling, Cottage & Garage	248 Lake Ferry Road (248 Martinborough)	1,460,900	\$ 4,458
Refuse Recycling Shed (Transfer Station)	248 Lake Ferry Road (Martinborough)	83,700	\$ 395
Ruakokopatuna Settlers Hall	Ruakokopatuna Rd, Martinborough	505,000	\$ 2,413
Additional toilet - Western Lake (Toilets (Public))	737 East-West Access Road, Western Lake	63,600	\$ 337
Toilet - Lake Ferry (Public Toilet)	25 Lake Ferry Road	80,200	\$ 438
Fire Brigade Building (Fire Station)	Lake Ferry Road (Lake Ferry Fire Building)	148,000	\$ 681
Ngawi Fire Brigade Building (incl public toilets) (Ngawi Fire Station)	Ngawi Drive, Cape Palliser	581,200	\$ 2,809
Swimming Pools, camp ammentites & Dressing Sheds	1-13 Princess Street	2,035,600	\$ 9,274
Martinborough Town Hall & Waihinga Centre	Cork Street	12,186,000	\$ 65,267
Old Borough Chambers	20 Cork Street	839,500	\$ 3,955
Martinborough toilet (Exeloo) (Toilet Block)	5 Memorial Square	287,400	\$ 1,514
Museum / Storehouse (Museum)	7 Memorial Square	676,500	\$ 3,277
Council Offices (Office Building)	19 Kitchener Street	3,425,900	\$ 17,857
Civil Defence Sheds (2) (Civil Defence Garage & Shed)	19 Kitchener Street	113,800	\$ 572
Cecily Martin Flats (12 Pensioner Units)	85-89 Venice Street	2,289,600	\$ 7,896
Cape Palliser toilet	Cape Palliser Road	50,400	\$ 276
Public Toilet	Cape Palliser Road, Kawakawa	57,600	\$ 318
Ngawi surf break toilet (Norski)	Cape Palliser Road	59,000	\$ 339
Norkski toilet Ngawi (at camp ground)	Ngawi Drive, Cape Palliser	59,000	\$ 339
Tora Reserve Toilets (Tora Farm Sett Road Tora)	Tora Reserve	83,400	\$ 445
Cemetery Building (Martinborough)	Puruatanga Road, Martinborough (Martinborough)	95,500	\$ 492
Ashes wall #1 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall #2 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall #3 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall #4 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall #5 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall #6 Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Ashes wall - Services - Martinborough Cemetery	Puruatanga Road	11,000	\$ 63
Water Supply Herricks Bore Cnrcr Control Shed	Herrick's Farm, Off SH53	89,000	\$ 512
Irrigator and pump	Weld St	249,100	\$ 1,432
Water Supply Reservoir x 2	Longbush Rd	1,110,300	\$ 5,265
Water Supply Timber Water Reservoir	Longbush Rd	243,200	\$ 1,153
Manganese Reduction Plant (Container and Contents)	New York Street	3,327,500	\$ 19,130
Cemetery Arbour	Roberts & Dublin (corner)	42,000	\$ 241
Campground	Lake Ferry	452,676	\$ 2,583
<b>Sundry</b>			
General Contents incl all IT Equipment	Anywhere in New Zealand	723,550	\$ 3,830
Misc. Playground Equip, Park Lighting, Street & Park Furniture, Decorative Paving & Signage	Across district	800,000	\$ 4,642
Capital Additions - \$2million	NZ Wide		\$ 2,120
Construction Risks - \$2million	NZ Wide (Levy @ 50%)		\$ 1,060
		<b>79,685,476</b>	<b>\$ 397,010</b>



## Assurance, Risk and Finance Committee

29 May 2024  
Agenda Item: C1

### Finance Report

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#### 1. Purpose

The purpose of this report is to provide the Committee with a commentary on the year-to-date 31 March 2024 results and to report any financial risks or breaches of policies.

#### 2. Recommendations

Officers recommend that the Committee:

1. Receive the Finance Report.
2. Note that no significant tax risks have been identified.
3. Note that the following investment thresholds have been breached in March 2024:
  - BNZ investments were 54% of the total portfolio, against a threshold of 50%
  - Wairarapa Building Society investments were 11% of the total portfolio, against a threshold of 10%

#### 3. Response to question from the February 2024 meeting

At the February 2024 Committee meeting further clarification was requested as to why the current assets commentary in the Finance Report for the period ended 31 December 2023 contained reference to Rates in Advance, which is a current liability component. It has been confirmed that the figure of \$757k represented only the receivable asset. The team member who prepared that comment was trying to explain how the figure is calculated. This level of detail became confusing, and commentary will focus on the position rather than calculation.

#### 4. Appendices

Appendix 1 – Finance Report For the period ended 31 March 2024

Contact Officer: Charly Clarke, Acting Finance Manager  
Reviewed by: Paul Gardner, Group Manager – Corporate Services

**Appendix 1 – Finance Report For the period  
ended 31 March 2024**



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**

*Kia Reretahi Tātau*

**Monthly Financial Statements**

**For the period ended**

**31 March 2024**

**Contents**

1. Executive Summary - Financial Report
2. Statement of Financial Performance
3. Statement of Financial Position
4. Investment and Borrowing Summary
5. Capital Expenditure - Significant Projects
6. Statement of Reserves
7. Rates Arrears
8. Debtors

**Appendices**

1. Wellington Water Limited Dashboards

Executive Summary - Financial Report

Year to date (YTD) March 2024

Statement of Comprehensive Revenue and Expenses for the Period Ended 31 March 2024

	Full Year Actual 2022/2023 \$000	Actual YTD \$000	Budget YTD \$000	Variance YTD \$000	Full Year		Budget v Forecast Variance
					Budget 2023/2024 \$000	Forecast 2023/2024 \$000	
<b>Operating Revenue</b>							
21,507	Rates	19,443	19,182	261	25,566	25,924	358
988	Grants, Subsidies, and Donations	461	649	(188)	808	967	159
5,770	Waka Kotahi Subsidies	4,464	2,134	2,330	3,294	6,370	3,076
2,483	Fees, Licences, Charges	1,776	1,961	(185)	2,657	2,329	(328)
2,618	Development, and Financial Contributions	1,317	1,094	223	1,483	1,515	32
757	Rental income	590	579	12	784	784	-
368	Miscellaneous Revenue	565	272	292	369	413	44
422	Finance Revenue	481	323	158	431	500	69
<b>34,912</b>	<b>Total operating revenue</b>	<b>29,097</b>	<b>26,195</b>	<b>2,903</b>	<b>35,392</b>	<b>38,801</b>	<b>3,409</b>
<b>Operating Costs</b>							
10,422	Community Facilities & Services	6,580	6,891	311	9,074	9,308	234
8,746	Land Transport	6,842	4,999	(1,843)	7,235	9,476	2,241
4,472	Water supply	3,516	3,602	86	4,920	4,760	(160)
3,720	Wastewater	2,373	3,533	1,160	4,860	4,749	(111)
3,327	Planning & Regulatory Services	3,555	2,661	(894)	3,762	4,884	1,121
2,154	Democracy & Engagement	1,589	1,985	396	2,713	2,429	(284)
662	Stormwater Drainage	462	523	61	714	710	(4)
52	Bad debts	22	18	(3)	25	25	-
<b>33,555</b>	<b>Total operating costs</b>	<b>24,938</b>	<b>24,212</b>	<b>(727)</b>	<b>33,303</b>	<b>36,341</b>	<b>3,038</b>
<b>1,357</b>	<b>Total Operating Surplus/(Deficit)</b>	<b>4,159</b>	<b>1,983</b>	<b>2,176</b>	<b>2,089</b>	<b>2,460</b>	<b>371</b>
1,719	Assets Vesting in Council	1,097	-	1,097	-	1,097	1,097
(1,567)	Other gains and (losses)	(6)	-	(6)	485	485	-
<b>1,509</b>	<b>Total Surplus/(Deficit)</b>	<b>5,251</b>	<b>1,983</b>	<b>3,267</b>	<b>2,574</b>	<b>4,042</b>	<b>1,469</b>
<b>Comprehensive Revenue and Expense</b>							
(495)	Increase/(decrease) in Revaluation Reserves	-	-	-	-	-	-
<b>1,014</b>	<b>Total other comprehensive revenue and expense</b>	<b>5,251</b>	<b>1,983</b>	<b>3,267</b>	<b>2,574</b>	<b>4,042</b>	<b>1,469</b>
<b>Note: Operating costs include the following expenses:</b>							
5,597	Depreciation & Amortisation	4,394	4,354	(39)	5,805	5,805	-
854	Finance costs	556	945	389	945	750	(195)

Executive Summary

The purpose of this report is to provide Council with a commentary on the YTD 31 March results.

Operating Surplus

The March comparison of YTD actuals to budgets is an overall surplus of \$4.2m, which is above the budgeted surplus by \$2.2m. This is due to higher than expected Contributions, delay in Three Waters growth planning work and lower than expected costs in Democracy & Engagement for consultants and staff vacancies.

Operating Revenue

Operating Revenue actual is \$29.1m vs budget of \$26.2m, \$2.9m above budget.

Rates income comprises 67% of total income and is tracking at budget YTD and full year.

The increase in revenue is due to unbudgeted Waka Kotahi subsidies received for emergency works caused by weather events, and higher than expected Financial Contributions and Miscellaneous Revenue.

Operating Costs

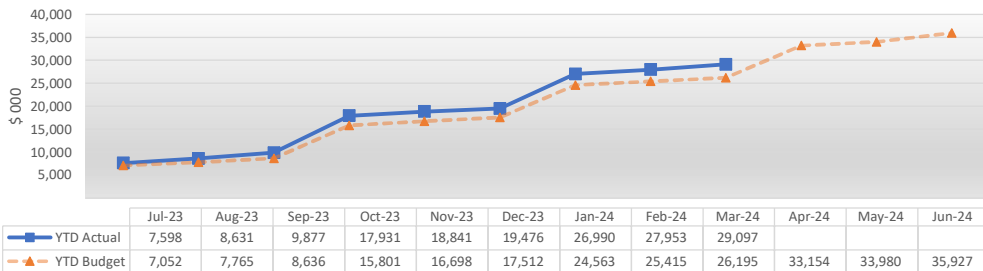
Operating overspends in Land Transport (\$1.8m) are as a result of emergency works caused by weather events, and Planning & Regulatory Services (\$0.9m) from the reclassification of the Combined District and Spatial Plans from capital to operational costs.

These overspends have been offset partially by year-to-date underspends in other activities, leading to an overall overspend of \$0.7m against budget. Three Waters underspends are mainly due to delay in works costs including desludging. Further commentary on revenue and expenditure is included in the subsequent pages.

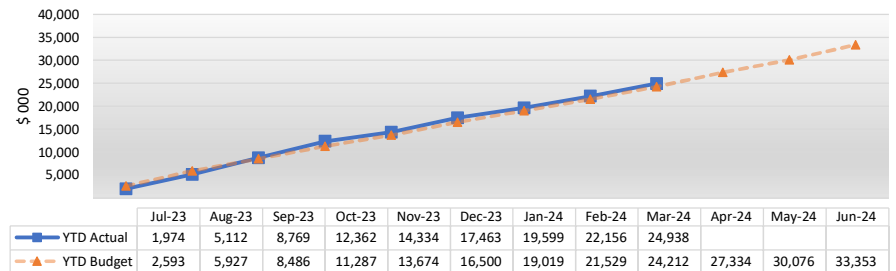
Budgets have been phased based on last year's actual spend and this will create variances where actuals vs budgets are not aligned, this is referred to as timing differences.

Summary of Unbudgeted Items	Total grant YTD	Act YTD	Balance sheet	Comments
Mayor's Taskforce	53,525	26,400	27,125	Balance to be allocated to finance costs
Provincial Growth Fund (Tauherenikau Bridge)	-	55,746	-	Expecting additional funding.
Three Waters Reform transition assistance	215,072	130,786	84,286	Carryover from 22/23
Freedom Camping	55,282	85,680	-	Overspent by \$30k but awaiting funding
Welcoming communities	67,711	38,941	28,770	Includes \$17k carryover from 22/23
Youth Coordination & Support	58,696	1,442	57,254	Income received in 22/23. No YTD spend
NZTA unbudgeted	3,825,669	1,355,525	-	Subsidised by 100%, 72% or 52%
Better off funding	188,000	-	188,000	\$77k desludging to be allocated in April
	<b>4,463,955</b>	<b>1,694,520</b>	<b>385,434</b>	

SWDC Operating Revenue YTD Actual v Budget



SWDC Operating Expenses YTD Actual v Budget



# Statement of Financial Performance

## Operating Income YTD March 2024

Income	YTD	2023/24	2023/24	2023/24	2023/24	2023/24	Budget v
	Actuals	YTD	YTD	YTD	Full Year	Full Year	Forecast
	March	March	\$ Variance	% Variance	Budget	Forecast	Variance
	\$000	\$000	\$000	March	\$000	\$000	\$000
<b>Grand Total</b>	<b>29,097</b>	<b>26,195</b>	<b>2,903</b>	<b>11.1%</b>	<b>35,392</b>	<b>38,801</b>	<b>3,409</b>
Rates	19,443	19,182	261	1.4%	25,566	25,924	358
Waka Kotahi NZTA Subsidies	4,464	2,134	2,330	109.2%	3,294	6,370	3,076
Contributions	1,317	1,094	223	20.4%	1,483	1,515	32
Fees & Licences	1,275	1,439	(164)	(11.4%)	1,829	1,491	(338)
Rental/Hire	590	579	12	2.0%	784	784	-
User Levies	501	522	(21)	(3.9%)	828	838	9
Interest	481	323	158	48.7%	431	500	69
Recoveries	463	20	443	2229.2%	83	118	35
Grants Subsidies & Donations	461	649	(188)	(29.0%)	808	967	159
Commissions	59	61	(3)	(4.3%)	82	82	(0)
Miscellaneous	43	191	(148)	(77.7%)	204	213	9

### Income Summary

Operating Income YTD is favourable to budget by \$2.9m or 11%.

#### Rates

Rates are slightly above YTD and full year budget. The fourth rates instalment will be issued in April and due May. Rates income comprises 72% of budgeted total income.

#### Waka Kotahi NZTA Subsidy

Favourable by \$2.3m due to unbudgeted funds received for emergency works (both operating and capital costs). Remaining variance is due to phasing of the Roothing programme.

#### Contributions

Contributions are favourable by \$223k. Sewer Contributions are favourable by \$305k and Water Supply by \$107k mainly due to a large development in Greytown. Subdivisions and Roothing Contributions are unfavourable by \$162k and \$27k respectively.

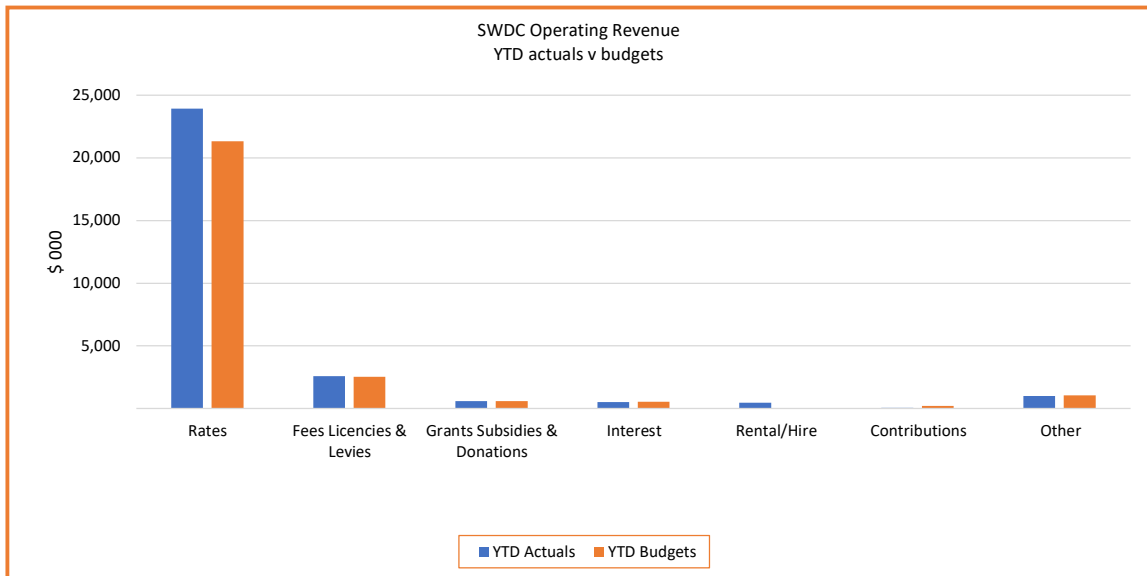
#### Fees & Licences

Unfavourable by \$164k mainly due to lower than expected building consents.

#### Recoveries

Favourable by \$443k mainly due to unbudgeted recoveries of Land Transport which is offset with expenditure.

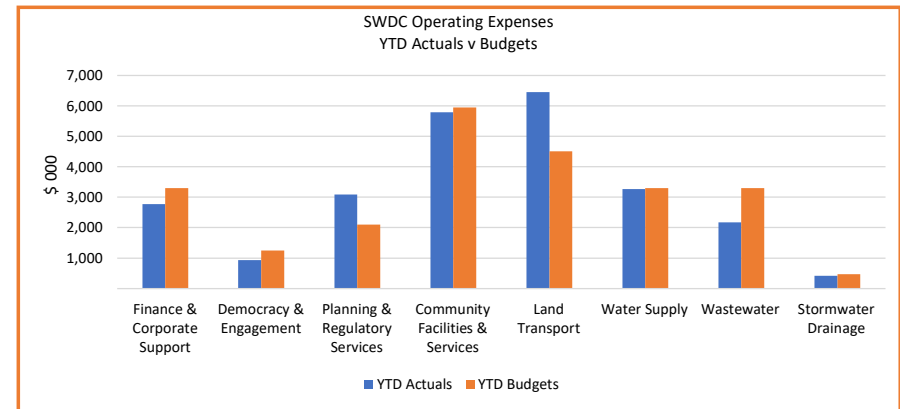
Please refer to the "Summary of Unbudgeted Items" table on Executive summary page for grants received.



Statement of Financial Performance YTD March 2024

Operating Expenditure

Expenditure	YTD Actuals March	YTD Budgets March	YTD \$ Variance March	YTD % Variance March	2023/24 Full Year Budget	2023/24 Full Year Forecast	Budget v Forecast Variance
	\$000	\$000	\$000		\$000	\$000	\$000
<b>Grand Total</b>	<b>24,944</b>	<b>24,212</b>	<b>(732)</b>	<b>(3.0%)</b>	<b>33,303</b>	<b>36,341</b>	<b>3,038</b>
General	27	18	(9)	(100.0%)	25	25	0
Finance & Corporate Support	2,775	3,302	527	16.0%	4,762	4,481	(281)
Democracy & Engagement	939	1,245	306	24.6%	1,688	1,421	(267)
Planning & Regulatory Services	3,092	2,105	(986)	(46.9%)	2,935	4,076	1,142
Community Facilities & Services	5,785	5,949	164	2.8%	7,732	8,038	305
Land Transport	6,454	4,513	(1,941)	(43.0%)	6,508	8,803	2,296
Water Supply	3,267	3,300	33	1.0%	4,480	4,368	(112)
Wastewater	2,179	3,299	1,119	33.9%	4,520	4,474	(46)
Stormwater Drainage	426	480	54	11.2%	654	654	1



Expenditure Summary

Operating expenditure YTD is unfavourable to budget by \$732k (3%) which is within acceptable parameters of variance. Expenditure is reported by significant activities as set out in the Annual Plan and LTP.

**Finance & Corporate Support**

Favourable by \$527k mainly due to timing of invoices & delay in the Information Management project, network costs and other IT projects. IT peripherals/cell phones are purchased when best prices are available which also comes down to timing. There is also underspend in Communications due to LTP being deferred and staff vacancies (now filled). HR has a delay in Health and Safety and Management training with some planned in Q4.

**Community Facilities & Services**

Overall favourable by \$164k with notable variances being:

*Community Services*

Economic Development favourable by \$52k due to timing differences of invoices relating to shared regional services. Community wellbeing is favourable by \$23k due delay in Community and Youth grants which will be paid out in Q4. Provincial Growth is unfavourable by \$56k however funding is expected before the end of the financial year.

*Community Facilities*

Rental Properties is favourable by \$132k due to underspend in consultants and repairs & maintenance. Toilets are favourable by \$15k due to lower than expected costs in routine maintenance and cleaning. Parks and Reserves are favourable by \$30k due to delay in tree and trail maintenance with work expected in the coming months. Swimming Pools are unfavourable by \$67k mainly due to management fees increasing after Annual Plan was adopted. Community Buildings are unfavourable by \$91k partially due to insurance budget allocation to this cost centre. Total insurance costs are aligned with full year budget. Also repairs to Featherston sports stadium offset by insurance claim. Refuse and Recycling is favourable by \$272k, this is to do with timing of works costs. Overall 70% of the total works costs budget has been spent.

**Democracy & Engagement**

Favourable by \$306k. Operating costs for Policy & Planning are lower than expected for rating review costs and delayed costs for the annual survey. A portion of Long Term Plan public consultation/engagement costs will be deferred to 24/25. Elected Members are also favourable due to support staff vacancies (one position now filled). There was also minimal change in the Local Government Members Determination for 23/24. Community Boards are overall on track.

**Land Transport**

The \$1.9m overspend is largely attributable to emergency works for events carried over from 22/23. This is however offset with subsidies which stand at \$2.3m above budget.

**Planning & Regulatory Services**

Unfavourable by \$986k. This is mainly due to Combined District Plan and Spatial Plan costs amounting to \$850k being transferred from Capital to Operating costs in December 2023. Below are other notable variances: Consultancy costs for Resource Management are unfavourable by \$68k due to high volume of large developments which will be recovered through income in the coming months. Building & Construction is unfavourable by \$69k. This is mainly due to an overspend in contractors for consent processing and building inspection services. Outsourcing costs will reduce once staff become fully trained. This is partially offset with underspend in software licences. Public Protection and Health is favourable by \$80k due to temporary staff vacancy. Emergency Management is favourable by \$25k due to delay in Civil Defence payments to GWRC.

**Three Waters & Wellington Water Ltd (WWL)**

Three Waters includes Water Supply, Wastewater and Stormwater Drainage. Overall Three Waters is favourable by \$1.2m. Management fees are on track. Full year forecast is on track with an estimated 2% underspend excluding the desludging project and water races.

## Statement of Financial Position as at 31 March 2024

Statement of Financial Position as at 31 March 2024		
Full Year		
Actual		
2022/2023		Actual YTD
\$000		\$000
<b>ASSETS</b>		
<b>Current assets</b>		
6,722	Cash and cash equivalents	5,977
6,169	Investments	5,758
4,007	Debtors and other receivables	3,139
46	Inventories	32
<b>16,943</b>	<b>Total current assets</b>	<b>14,906</b>
<b>Non-current assets</b>		
637	Investments	637
Other financial assets:		
131	<i>Investments in CCOs and other similar entities</i>	131
126	<i>Investments in other entities</i>	126
<b>258</b>	<b>Total other financial assets</b>	<b>258</b>
14,249	Investment properties	14,259
109	Intangible assets	192
570,581	Property, plant, and equipment	575,213
<b>585,834</b>	<b>Total non-current assets</b>	<b>590,558</b>
<b>602,777</b>	<b>TOTAL ASSETS</b>	<b>605,463</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
6,857	Creditors and other payables	4,330
625	Employee entitlements	588
33	Provisions - current portion	33
2,000	Borrowings - current portion	4,943
<b>9,515</b>	<b>Total current liabilities</b>	<b>9,894</b>
<b>Non-current liabilities</b>		
300	Provisions - non-current portion	300
26,900	Borrowings - non-current portion	23,957
<b>27,200</b>	<b>Total non-current liabilities</b>	<b>24,258</b>
<b>Equity</b>		
166,683	Public equity	171,933
31,000	Restricted reserves and trust funds	31,000
368,378	Asset revaluation reserve	368,378
0	Other reserves	0
<b>602,777</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>605,463</b>

## Financial Statement Summary

**Working Capital**

Working Capital (current assets divided by current liabilities) which expresses the ability of council to meet its short-term obligations, is acceptable with a ratio of 1.5 times.

**Assets****Debtors and other Receivables**

Debtors and receivables total \$3.1m, key components are :

- General Debtors \$442k (current due 50%)
- Rates receivables total YTD \$895k
- Waka Kotahi NZTA & Fuel Tax Receivable \$834k
- Water debtors \$53k

**Investments**

SWDC's investment policy provides that financial investments should be spread across several financial institutions to reduce potential risk of loss to Council.

In addition, the amount invested in any single institution must not exceed 50% of the Council's total investments. Furthermore, investment in Wairarapa Building Society (WBS) should not exceed 10%. Both of these thresholds were breached in March due to timing of maturing investments. Investments are spread across BNZ (our banker), ANZ, ASB & WBS. See investment schedule next page.

**Liabilities****Creditors and other payables**

Creditors and other payables total \$4.3m, key components are :

- Sundry creditors \$802k
- SWDC rates in advance \$547k
- GWRC rates collected not yet paid \$417k
- Accrued expenses not yet invoiced \$498k
- Income in advance (MTFJ, NZLPP and Three Water Transition, Wairarapa Moana, Welcoming Communities and Better Off funding) \$438k
- Levies, bonds currently outstanding \$1.1m

**Total Debt**

Total public debt stands at \$28.9m (current portion \$4.9m).  
(see debt breakdown on the next page)



## Summary Of Investments and Lending

Summary Of Investments as at 31 March 2024				
\$				
Account	Total Invested	Interest Rate	Maturity date	
<b>Westpac Bank</b>	0% of total Term Deposits			
Call Account	178			
<b>ASB Bank</b>	35% of total Term Deposits			
Call Account	69,465			
Term deposit	1,000,000	6.33%	30/08/2024	
Term deposit	1,000,000	6.12%	23/11/2024	
<b>ANZ Bank</b>	0% of total Term Deposits			
Call Account	258			
Term deposit	-			
<b>BNZ Bank</b>	54% of total Term Deposits			
Call Account	4,931,476			
Term deposit	1,105,383	6.25%	24/11/2024	
Term deposit	1,000,000	5.95%	30/08/2024	
Term deposit	1,000,000	6.25%	23/11/2024	
<b>Wairarapa Building Society</b>	11% of total Term Deposits			
Term deposit	219,604	6.25%	20/11/2024	
Term deposit	226,454	6.25%	23/11/2024	
Term deposit	174,129	6.00%	17/06/2024	
<b>Total Call Accounts</b>	<b>5,001,377</b>			
<b>Total Term Deposits</b>	<b>5,725,570</b>	Weighted average of 6.18%		
<b>TOTAL</b>	<b>10,726,948</b>			
<b>BONDS</b>				
LGFA Borrower Bonds	659,500			
<b>FORESTRY</b>				
Plantation - Hurupi Stock	9,305			
<b>SHARES</b>				
Farmlands	1,159			
NZ Local Government Insurance Company	81,434			
Wellington Water Limited	50,000			
<b>TOTAL INVESTMENTS</b>	<b>11,528,346</b>			

Note: Call Account are considered cash in the balance sheet as it is under 90days.

Summary Of Borrowing as at 31 March 2024				
			\$	\$
Loan	Rate	Matures	Principal	Total Loan
3 Waters	3.89%	1/07/2024	2,000,000	2,000,000
3 Waters	5.23%	15/04/2026	678,802	
Land Transport	5.23%	15/04/2026	1,081,706	
Additional funding	5.23%	15/04/2026	39,492	1,800,000
Community Buildings	5.23%	15/04/2026	1,500,000	1,500,000
3 Waters	1.49%	15/04/2024	2,000,000	2,000,000
3 Waters	1.69%	15/04/2025	4,942,813	
Additional funding	1.69%	15/04/2025	57,187	5,000,000
Smoothing Loan AP 20-21	1.78%	15/04/2026	1,500,000	1,500,000
3 Waters	2.72%	15/05/2031	5,700,000	
Community Buildings	2.72%	15/05/2031	1,000,000	6,700,000
3 Waters	4.20%	1/07/2024	3,999,419	
Community Buildings	4.20%	1/07/2024	300,581	
Additional Funding	4.20%	1/07/2024	200,000	4,500,000
3 Waters	2.75%	1/07/2024	1,400,000	1,400,000
Additional Funding	5.76%	15/04/2025	50,000	
3 Waters	5.76%	15/04/2025	1,500,000	
Dog Pound	5.76%	15/04/2025	450,000	
Lake Ferry Campground	5.76%	15/04/2025	500,000	2,500,000
<b>Total Lending</b>				<b>28,900,000</b>
<b>Lending Summary</b>				
3 Waters	22,221,034			
Land Transport	1,081,706			
Community Buildings	2,800,581			
Smoothing Loan AP 20-21	1,500,000			
Additional Funding	346,680			
Dog Pound	450,000			
Lake Ferry Campground	500,000			
	<b>28,900,000</b>			

## Balance of Reserves (updated quarterly)

Statement of Special and Separate Funds as at 31 Mar 2024					
	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
<b>District Property</b>					
To be used for Town Centre Development	All activities	236	235	144	327
<b>Asset Realisation</b>					
Capital gains from the sale of Council Assets that have been realised over time.	All activities	298	-	-	298
<b>Plantation Reserve</b>					
For road protection schemes and seal extensions in the future.	All activities	(147)	-	20	(167)
<b>Wairarapa Moana Reserve</b>					
To be used to establish and support the board that will lead guardianship and management of the moana and its surrounds	All activities	137		-	137
<b>Community Board Reserves</b>					
Community Board funds carried over:					
Featherston	Governance	3	5	1	6
Greytown	Governance	14	5	9	9
Martinborough	Governance	3	5	3	5
Māori Standing Committee	Governance	25	5	2	27
Featherston Beautification	Governance	26	12	8	30
Greytown Beautification	Governance	24	12	6	29
Martinborough Beautification	Governance	24	12	9	27
Martinborough Swimming Pool	Governance	15	5	-	20
<b>Restricted Reserves</b>					
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values. To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies	All activities	3,176	257	90	3,343
<b>Water Race Reserves</b>					
Featherston/Longwood Water race	Water	52	-	46	5
Moroa	Water	314	-	40	273

## Statement of Special and Separate Funds as at 31 Mar 2024

	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
<b>Trusts</b>					
Campground Memorial: Pain Farm	Amenities	7	-	-	7
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.	Amenities	155	81	100	136
<b>Infrastructure Contributions</b>					
To provide a potable water supply, to safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage, to prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of Stormwater, to ensure sufficient water is available for fire fighting purposes. To provide for the safe and convenient movement on roads of vehicular, bicycles and pedestrians within and through the Wairarapa.	All activities	3,598	1,019	1,129	3,489
<b>Planning Reserves</b>					
To spread the costs of the Combined District Plan over the life of the plan	Resource Management	(338)	60	208	(486)
To spread the costs of the Spatial Plan over the life of the plan	Resource Management	11	133	62	82
<b>Loan Redemption Reserve</b>					
To cover loan principal repayments	All activities	10,854	2,501	-	13,355
<b>Depreciation Reserves</b>					
To fund new capital projects	All activities	11,492	1,591	4,478	8,605
<b>Disaster Recovery</b>					
To fund disaster recovery IT upgrades	All activities	20	10	-	30
<b>Martinborough Town Hall Reserve</b>					
Waihinga Centre Project	Amenities	10	-	-	10
<b>Rural Roding Reserve</b>					
Rural Roding	Roding	1,268	300	3	1,564
<b>Housing Reserve</b>					
Housing	Amenities	(287)	233	292	(346)
<b>Maintenance Reserve</b>					
To cover maintenance to buildings	Amenities	12	33	21	24
<b>Total Special and Separate Funds</b>		<b>31,000</b>	<b>6,511</b>	<b>6,673</b>	<b>30,702</b>

## SOUTH WAIRARAPA DISTRICT COUNCIL

### SCHEDULE OF CAPITAL EXPENDITURE

For the period ended 31 March 2024

Activity	Project/Cost Centre	Category	Funding Source	YTD Actual Spent \$	Carried Forward Budget \$	New Budget Annual Plan 23/24 \$	Total Budget Available \$	% of Budget Spent YTD	Forecast 23/24 \$
<b>Community Facilities &amp; Services</b>									
	Purchase of land for new open spaces	Grow	Loan	-	1,531,500	-	1,531,500	0%	-
	Greytown wheels park	Grow	Reserves - Restricted	90,160	642,650	350,543	993,193	9%	110,160
	Featherston sports stadium	Improve	Reserves - Restricted	-	-	-	-	0%	-
	Greytown sports facility	Improve	Loan	174,413	969,889	-	969,889	18%	-
	Gateway to the Wairarapa	Improve	Reserves - Depreciation	-	61,260	53,663	114,923	0%	-
	Campgrounds	Renew	Reserves - Depreciation	60,266	209,000	16,099	225,099	27%	160,266
	Cemeteries	Renew	Reserves - Depreciation	11,701	249,466	37,564	287,030	4%	46,701
	Community buildings	Renew	Reserves - Depreciation	104,285	403,260	182,454	585,714	18%	304,285
	Housing	Renew	Reserves - Housing	21,698	195,850	167,396	363,246	6%	246,698
	Library collection	Renew	Reserves - Depreciation	75,810	-	148,959	148,959	51%	101,080
	Parks & reserves	Renew	Reserves - Depreciation	18,551	150,000	21,465	171,465	11%	171,465
	Playgrounds	Renew	Reserves - Depreciation	-	51,050	53,663	104,713	0%	104,713
	Rental properties	Renew	Reserves - Maintenance	21,366	-	132,705	132,705	16%	61,366
	Swimming pools	Renew	Reserves - Depreciation	66,283	230,864	53,663	284,527	23%	250,000
	Toilets	Renew	Reserves - Depreciation	-	51,050	53,663	104,713	0%	104,713
	Transfer stations	Renew	Reserves - Depreciation	-	-	-	-	0%	-
				<b>644,531</b>	<b>4,745,839</b>	<b>1,271,837</b>	<b>6,017,676</b>	<b>11%</b>	<b>1,661,445</b>
<b>Planning &amp; Regulatory Services</b>									
	Dog pound	Renew	Loan	-	-	1,073	1,073	0%	1,073
	IT hardware - Planning & Regulatory Services	Renew	Reserves - Depreciation	-	6,000	4,293	10,293	0%	-
	IT software - Planning & Regulatory Services	Renew	Reserves - Depreciation	-	-	-	-	0%	-
	Liquefaction modelling for building regulations	Improve	Loan	-	126,659	-	126,659	0%	-
				-	<b>132,659</b>	<b>5,366</b>	<b>138,025</b>	<b>0%</b>	<b>1,073</b>
<b>Finance &amp; Corporate Services</b>									
	Council offices	Renew	Loan	7,701	250,063	5,366	255,429	3%	-
	Furniture	Renew	Reserves - Depreciation	-	-	12,879	12,879	0%	12,879
	GIS	Renew	Reserves - Depreciation	-	-	10,733	10,733	0%	10,733
	Intangibles	Improve	Reserves - Depreciation	-	20,000	-	20,000	0%	20,000
	IT hardware	Renew	Reserves - Depreciation	46,363	-	90,125	90,125	51%	128,363
	IT software	Renew	Reserves - Depreciation	4,861	-	53,663	53,663	9%	-
	Motor vehicles	Renew	Reserves - Depreciation	-	-	-	-	0%	-
	Office equipment	Renew	Reserves - Depreciation	-	-	10,733	10,733	0%	10,733
				<b>58,925</b>	<b>270,063</b>	<b>183,499</b>	<b>453,561</b>	<b>13%</b>	<b>182,707</b>

Monthly Financial Statements March 24

Activity	Project/Cost Centre	Category	Funding Source	YTD Actual Spent \$	Carried Forward Budget \$	New Budget Annual Plan 23/24 \$	Total Budget Available \$	% of Budget Spent YTD	Forecast 23/24 \$
<b>Land Transport</b>									
	Hinekura - emergency works	Renew	Waka Kotahi & Depreciation Reserve	383,951			-	0%	503,951
	Hinekura - access works	Renew	Reserves - Rural Roothing	2,515			-	0%	2,515
	Hinekura - Admiral Hill	Improve	Reserves - Rural Roothing	826			-	0%	826
	Hinekura - Phase 1 alignment & design	Improve	Loan	42,354			-	0%	42,354
	Reading and Church Street Upgrade	Improve	Reserves - Infrastructure	748,460				0%	748,460
	Farley Ave Land purchase	Grow	Reserves - Infrastructure	-				0%	-
	Bridges	Renew	Reserves - Depreciation	-	-	-	-	0%	-
	Drainage	Renew	Waka Kotahi & Depreciation Reserve	122,690	41,895	170,808	212,703	58%	212,703
	Footpath additions	Grow	Rates	-	-	-	-	0%	-
	Footpath renewals	Renew	Waka Kotahi & Depreciation Reserve	69,682	-	130,000	130,000	54%	130,000
	Other minor works	Improve	Waka Kotahi & Depreciation Reserve	721,032	-	632,400	632,400	114%	721,032
	Rehabilitation	Renew	Waka Kotahi & Depreciation Reserve	-	74,145	250,000	324,145	0%	166,625
	Reseals	Renew	Waka Kotahi & Depreciation Reserve	808,038	60,000	804,041	864,041	94%	864,041
	Road metalling	Renew	Waka Kotahi & Depreciation Reserve	120,224	26,077	421,361	447,438	27%	447,438
	Seal extensions	Improve	Waka Kotahi & Depreciation Reserve	-	-	159,999	159,999	0%	159,999
	Signs, guardrails, & safety	Improve	Waka Kotahi & Depreciation Reserve	99,756	-	46,000	46,000	217%	99,756
	Structures	Renew	Waka Kotahi & Depreciation Reserve	229,099	74,145	139,822	213,967	107%	229,099
	Traffic services	Renew	Waka Kotahi & Depreciation Reserve	33,101	-	50,716	50,716	65%	50,716
				<b>3,381,729</b>	<b>276,262</b>	<b>2,805,147</b>	<b>3,081,409</b>	<b>110%</b>	<b>4,379,516</b>
<b>Water Supply</b>									
	Consents, models, & plans	Improve	Reserves - Depreciation	-	-	-	-	0%	
	Infrastructure upgrades - Water Supply	Improve		257,785		2,766,720	2,766,720	9%	
	Infrastructure renewals - Water Supply	Renew	Reserves - Depreciation	906,566	-	908,160	908,160	100%	Refer to total forecast
	Smart meters	Improve	Loan	-	-	-	-	0%	
	Water supply & treatment - Featherston	Improve	Reserves - Depreciation	-	-	-	-	0%	
	Water supply & treatment - Greytown	Renew	Reserves - Depreciation	-	-	-	-	0%	
	Water supply & treatment - Martinborough	Grow	Loan	-	-	95,040	95,040	0%	
				<b>1,164,351</b>	<b>-</b>	<b>3,769,920</b>	<b>3,769,920</b>	<b>31%</b>	<b>1,243,200</b>
<b>Wastewater</b>									
	Consents, models, & plans - water	Renew		615,281		897,600	897,600	69%	
	Health & safety upgrades	Improve	Reserves - Infrastructure	-	-	-	-	0%	
	Infrastructure upgrades - Wastewater	Improve		-	-	-	-	0%	
	Infrastructure renewals - Wastewater	Renew	Reserves - Depreciation	908,002	126,600	353,760	480,360	189%	Refer to total forecast
	Wastewater treatment & disposal - Featherston	Improve	Loan	1,600,184	302,400	897,600	1,200,000	133%	
	Wastewater treatment & disposal - Greytown	Grow	Reserves - Infrastructure	6,241	-	31,680	31,680	20%	
	Wastewater treatment & disposal - Martinborough	Improve	Reserves - Infrastructure	86,632	-	496,320	496,320	17%	
				<b>3,216,340</b>	<b>429,000</b>	<b>2,676,960</b>	<b>3,105,960</b>	<b>104%</b>	<b>3,701,849</b>
<b>Stormwater</b>									
	Consents, models, & plans	Renew		-	-	-	-	0%	
	Stormwater upgrades	Improve		-	-	95,040	95,040	0%	
	Stormwater renewals	Renew	Reserves - Depreciation	50,390	-	42,240	42,240	119%	54,950
	Water races	Renew	Reserves - Water Races	-	-	-	-	0%	
				<b>50,390</b>	<b>-</b>	<b>137,280</b>	<b>137,280</b>	<b>37%</b>	<b>54,950</b>
	<b>Total Capital Expenditure</b>			<b>8,516,266</b>	<b>5,853,822</b>	<b>10,850,009</b>	<b>16,703,831</b>	<b>51%</b>	<b>11,224,741</b>
<b>Reclassifications</b>									
	Combined District Plan	Renew	Reserves - Combined District Plan	-451,751	-	215,064	215,064	-210%	-
	Spatial Plan	Improve	Reserves - Spatial Plan	-233,166	252,436	139,792	392,228	-59%	-

## Rates Review

### YTD March 2024 (GST inc)

Rates 2023/24	Quarterly instalments due		Total Rates Outstanding	% Owing
	YTD			
SWDC	\$ 29,774,713			
GWRC	\$ 6,641,042			
	\$ 36,415,755	\$ 18,207,878	\$ 890,979	5%

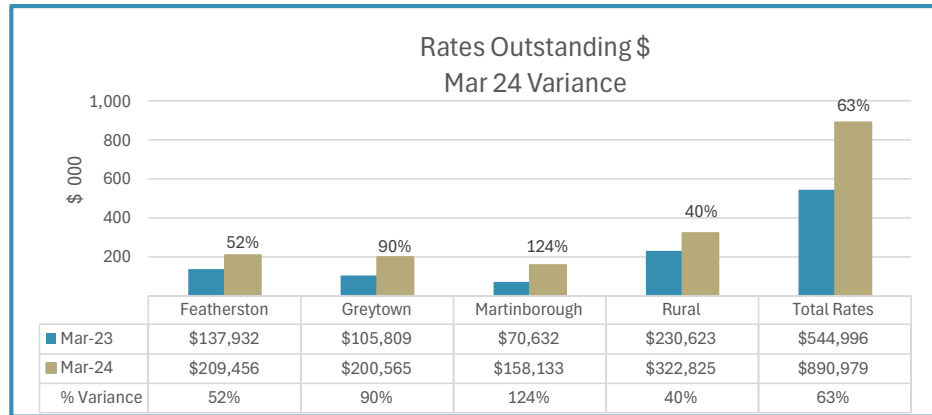
Total rates owing for current instalments is 5% of current year rates invoiced. Instalment 3 was sent in Jan 24 and was due in Feb 24.

### Total Rates Outstanding (GST Incl)

Area	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Featherston	\$ 332,785	\$ 157,202	\$ 111,975	\$ 344,222	\$ 209,456
Greytown	\$ 286,113	\$ 132,675	\$ 91,090	\$ 344,497	\$ 200,565
Martinborough	\$ 273,344	\$ 144,347	\$ 66,504	\$ 264,720	\$ 158,133
Rural	\$ 516,380	\$ 321,685	\$ 275,114	\$ 624,757	\$ 322,825
<b>Total Rates</b>	<b>\$ 1,408,622</b>	<b>\$ 755,909</b>	<b>\$ 544,684</b>	<b>\$ 1,578,196</b>	<b>\$ 890,979</b>

The total rates outstanding is \$891k. Owing for the current year's rates is \$828k of which \$455k (55%) is for the current instalment. There is \$62k in arrears from the previous year.

### Rates Owing - YTD Comparison



As the arrears are affected by the quarterly invoicing, a clearer view of annual movement is a YTD Comparison.

There has been an increase in rates outstanding of \$346k compared to Mar 23. This is a 63% increase in outstanding rates compared to last year. The largest increase are in Martinborough and Greytown of 124% and 90% respectively.

### Rates by Number of Rating Units

Properties Outstanding	Owing			Average Debt	
	Mar-23	Mar-24	% Variance	Mar-23	Mar-24
Featherston	307	362	18%	449	579
Greytown	272	370	36%	389	542
Martinborough	206	319	55%	343	496
Rural	403	479	19%	572	674
<b>Total Properties</b>	<b>1,188</b>	<b>1,530</b>	<b>29%</b>	<b>459</b>	<b>582</b>

The average rates owing per unit in Mar 24 is 27% higher than in Mar 23, which is reflective of the higher rates charges.

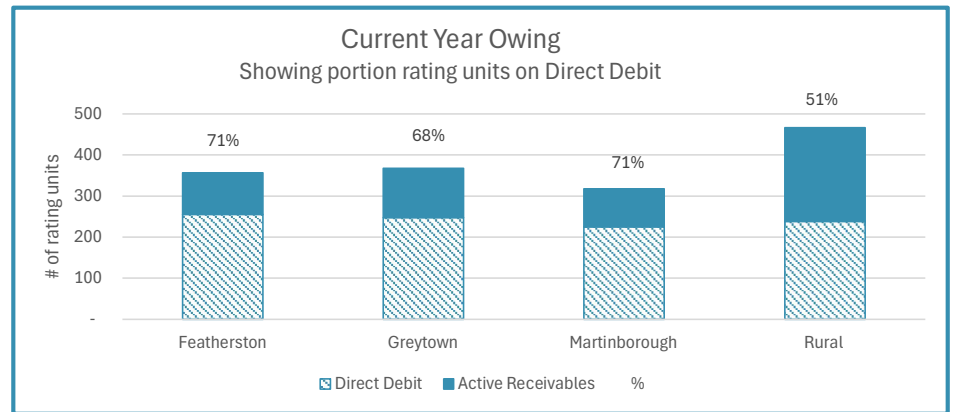
The actual number of properties with arrears has increased by 29%.

### Direct Debits

	Mar-23	Mar-24
Total rating units	7,336	7,472
#Direct Debit	2,995	3,105
Total % of Direct Debits	41%	42%

The number of all rate payers using Direct Debit has gradually increased, currently at 42%.

For those rating units that have current rates owing, overall 64% have a Direct Debit in place.



### Arrears Commentary (Rates owing for prior years)

There are 22 rating units that owe rates from prior years. Of these, 5 owe less that \$250 each, 2 are for deceased estates, 4 are on a repayment plan, 6 are currently with legal and the remaining 5 are with mortgagee final demands. The largest rates debtor has now moved on to a repayment plan.

# Debtors Summary

As at 31 March 2024

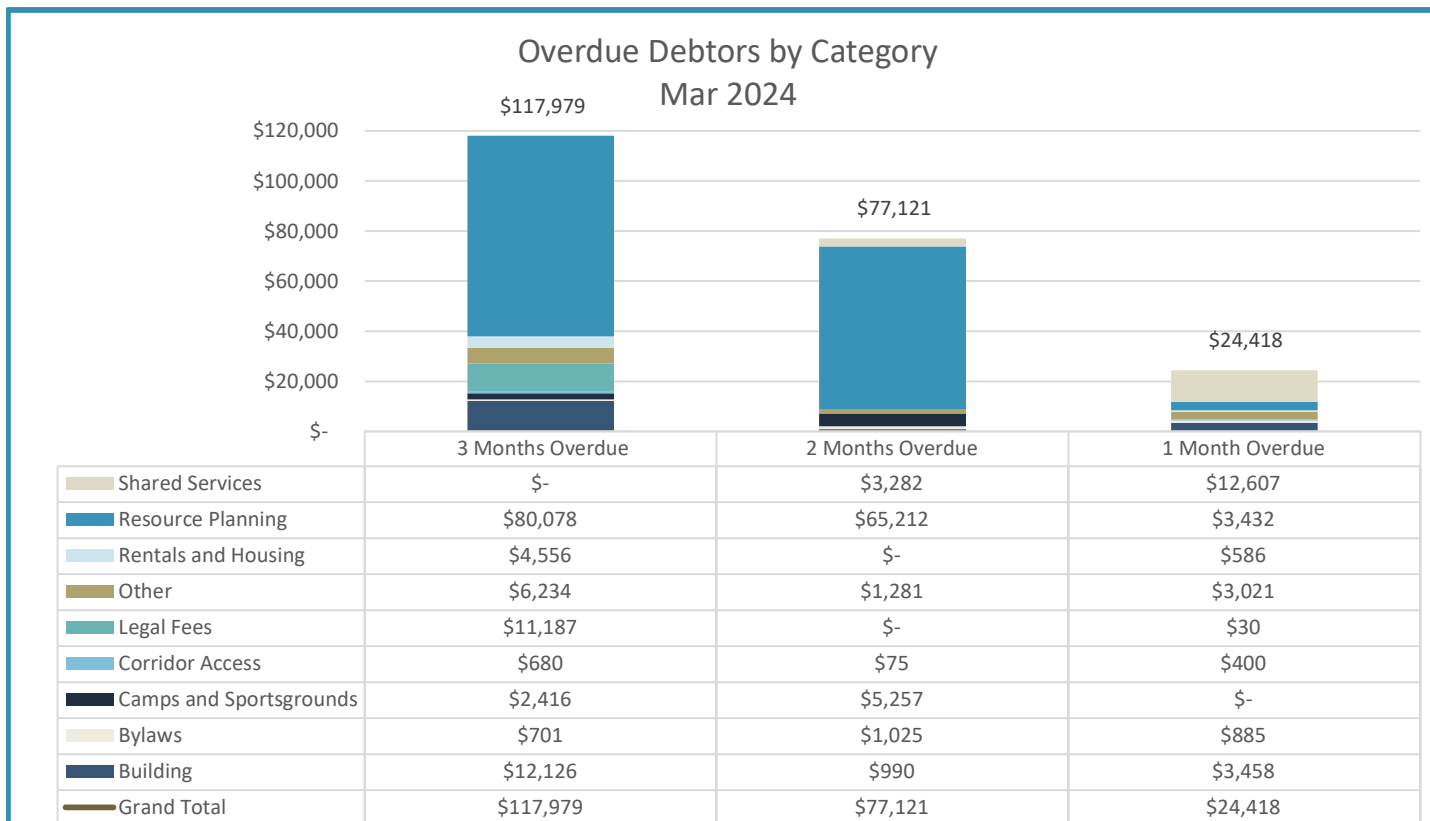
## Aged Debtor report

3 Months Overdue	2 Months Overdue	1 Month Overdue	Current Owing	Total Owing	Number of Debtors
\$ 117,979	\$ 77,121	\$ 24,418	\$ 222,207	\$ 441,725	291

A total of \$442k is owed by 291 debtors.

Total overdue is \$219k (111 debtors) of which \$117k (47 debtors) is owed for 3 months or more.

## Aged Debtors Summary by Category - over one month overdue



Resource Planning has the largest overdue balance due (\$148k), 68% of total overdue.

However, the majority of this is (82%) is for two large commercial resource planning applications.

- One 3 months overdue \$69k
- One 2 months overdue \$54k





Legend		Description	
		Overspend more than 10%	
		Overspend but less than 10%	
		Underspend more than 20%	
		Within budget and ≤20% underspend	

**OPEX Dashboard**  
As at 31 March 2024

Water		March 2024				YTD				Full Year							
		Actual \$	Budget \$	Variance \$	Variance %	Actual \$	Budget \$	Variance \$	Variance %	Forecast \$	Budget \$	Variance \$	Variance %				
	<b>Drinking Water</b>	<b>All</b>	274,300	214,740	-59,560	(-28%)		1,839,991	1,932,661	92,669	5%		2,454,671	2,576,768	122,097	5%	
		Treatment Plant	78,700	72,951	-5,749	(-8%)		637,146	656,559	19,413	3%		869,081	875,387	6,306	1%	
		Network	140,746	69,154	-71,592	(-104%)		732,528	622,386	-110,142	(-18%)		868,166	829,833	-38,333	(-5%)	
		Monitoring	29,288	38,053	8,765	23%		272,647	342,477	69,830	20%		384,984	456,563	71,579	16%	
		Investigations	13,624	18,013	4,389	24%		86,797	162,117	75,320	46%		163,586	216,140	52,554	24%	
		Control Systems	8,185	10,923	2,738	25%		69,443	98,307	28,864	29%		106,794	131,087	24,293	19%	
		Storage	0	665	665	100%		2,905	5,985	3,080	51%		8,883	7,978	-905	(-11%)	
		Utilities	0	281	281	100%		0	2,529	2,529	100%		3,379	3,379	0	%	
		Management & Advisory Services	3,757	4,700	943			38,527	42,301	3,774			49,797	56,401	6,604		
	<b>Stormwater</b>	<b>All</b>	12,990	23,216	10,226	44%		143,371	206,724	63,352	31%		274,720	276,364	1,644	1%	
		Network	4,518	11,056	6,538	59%		53,458	97,282	43,824	45%		156,395	130,453	-25,942	(-20%)	
		Investigations	958	1,974	1,016	51%		12,429	17,766	5,337	30%		18,300	23,695	5,395	23%	
		Control Systems	0	786	786	100%		430	7,074	6,644	94%		430	9,414	8,984	95%	
		Contingency	0	0	0			0	0	0			0	0	0		
		Management & Advisory Services	7,513	9,400	1,887			77,054	84,602	7,547			99,594	112,802	13,208		
	<b>Wastewater</b>	<b>All</b>	82,896	144,143	61,247	42%		892,840	1,297,290	404,450	31%		1,783,834	1,729,682	-54,152	(-3%)	
		Treatment Plant	44,245	55,716	11,471	21%		401,042	501,444	100,402	20%		618,756	668,589	49,833	7%	
		Network	11,791	38,990	27,200	70%		155,197	350,910	195,713	56%		553,772	467,851	-85,921	(-18%)	
		Monitoring	7,057	19,199	12,142	63%		121,767	172,791	51,024	30%		257,275	230,390	-26,885	(-12%)	
		Investigations	550	7,383	6,832	93%		31,477	66,444	34,967	53%		95,284	88,601	-6,683	(-8%)	
		Pump Stations	3,775	4,204	429	10%		25,189	37,836	12,647	33%		53,017	50,440	-2,577	(-5%)	
		Control Systems	1,704	1,418	-286	(-20%)		16,903	12,762	-4,141	(-32%)		23,140	17,007	-6,133	(-36%)	
		Management & Advisory Services	13,774	17,234	3,459			141,266	155,103	13,837			182,590	206,804	24,214		
	<b>Total Opex excl Water Races, Desludging and Open Channel Mtc</b>		<b>370,186</b>	<b>382,100</b>	<b>11,913</b>	<b>3%</b>		<b>2,876,203</b>	<b>3,436,674</b>	<b>560,472</b>	<b>16%</b>		<b>4,513,225</b>	<b>4,582,814</b>	<b>69,589</b>	<b>2%</b>	
	Total Opex, excl Water races, Desludging & Unexpected Events		345,142	350,766	5,624	2%		2,619,355	3,154,669	535,314	17%		4,181,244	4,206,807	25,563	1%	
	Total Management & Advisory Services		25,044	31,334	6,289	20%		256,848	282,005	25,158	9%		331,981	376,007	44,026	12%	
	Total Martinborough & Greytown WWTP desludging		9,754	83,333	73,579	88%		77,075	750,000	672,925	90%		278,046	1,000,000	721,954	72%	
	Open Channel Maintenance																
	16 Daniel Street		0	0	0			2,222	2,222	0	%		2,222	2,222	0	%	
	Water Races																
	Longwood		18,331	6,922	-11,409	(-165%)		46,134	62,298	16,164	26%		80,848	83,048	2,200	3%	
	Moroa		13,604	9,331	-4,273	(-46%)		39,870	83,979	44,109	53%		91,061	111,967	20,906	19%	
	<b>Total Opex</b>		<b>411,875</b>	<b>481,686</b>	<b>69,810</b>	<b>14%</b>		<b>3,041,503</b>	<b>4,335,173</b>	<b>1,293,670</b>	<b>30%</b>		<b>4,965,403</b>	<b>5,780,051</b>	<b>814,648</b>	<b>14%</b>	



WW Dashboard CAPEX



CAPEX Dashboard  
As at 31 March 2024

Legend	Description
	Overspend more than 10%
	Overspend but less than 10%
	Underspend more than 20%
	Within budget and ≤20% underspend

Water		March 2024				Year To Date				Full Year			
		Actual \$	Budget \$	Variance \$	%	Actual \$	Budget \$	Variance \$	%	Forecast \$	Budget \$	Variance \$	%
	Drinking Water	234,552	130,255	-104,298	(-80%)	1,139,216	1,661,653	522,437	31%	1,243,200	3,469,999	2,226,798	64%
	All	234,552	130,255	-104,298	(-80%)	1,139,216	1,661,653	522,437	31%	1,243,200	3,469,999	2,226,798	64%
	Network	5,936	40,294	34,357	85%	237,639	173,442	-64,197	(-37%)	382,460	310,000	-72,460	(-23%)
	Storage	310	8,542	8,232	96%	107,383	38,560	-68,823	(-178%)	107,073	65,000	-42,073	(-65%)
	Control Systems	10,236	5,920	-4,316	(-73%)	72,751	51,735	-21,015	(-41%)	71,364	69,999	-1,365	(-2%)
	Treatment Plant	218,070	75,045	-143,025	(-191%)	721,444	1,394,306	672,862	48%	681,620	3,020,000	2,338,380	77%
Planning	0	454	454	100%	0	3,610	3,610	100%	684	5,000	4,316	86%	
	Stormwater	2,211	7,963	5,752	72%	50,390	65,940	15,550	24%	54,950	90,000	35,050	39%
	All	2,211	7,963	5,752	72%	50,390	65,940	15,550	24%	54,950	90,000	35,050	39%
	Planning	765	2,724	1,959	72%	35,928	21,658	-14,270	(-66%)	41,824	30,000	-11,824	(-39%)
Network	1,446	5,239	3,793	72%	14,461	44,281	29,820	67%	13,127	60,000	46,873	78%	
	Wastewater	89,115	136,857	47,742	35%	3,209,780	2,383,019	-826,761	(-35%)	3,701,849	3,100,000	-601,849	(-19%)
	All	89,115	136,857	47,742	35%	3,209,780	2,383,019	-826,761	(-35%)	3,701,849	3,100,000	-601,849	(-19%)
	Network	292	8,237	7,945	96%	224,290	64,950	-159,340	(-245%)	228,403	90,000	-138,403	(-154%)
	Pump Stations	8,094	4,968	-3,126	(-63%)	1,495,594	1,244,787	-250,806	(-20%)	1,500,474	1,260,000	-240,474	(-19%)
	Control Systems	9,133	6,117	-3,016	(-49%)	79,045	51,647	-27,398	(-53%)	81,564	69,999	-11,565	(-17%)
	Treatment Plant	71,573	112,995	41,422	37%	1,406,021	985,537	-420,484	(-43%)	1,856,810	1,630,001	-226,809	(-14%)
Planning	23	4,540	4,517	100%	4,830	36,097	31,268	87%	34,598	50,000	15,402	31%	
<b>Total</b>		<b>325,878</b>	<b>275,075</b>	<b>(50,803)</b>	<b>(-18%)</b>	<b>4,399,385</b>	<b>4,110,612</b>	<b>(288,773)</b>	<b>(-7%)</b>	<b>5,000,000</b>	<b>6,659,999</b>	<b>1,659,999</b>	<b>25%</b>

Key Projects		March 2024				Year To Date				Full Year			
		Actual \$	Budget \$	Variance \$	%	Actual \$	Budget \$	Variance \$	%	Forecast \$	Budget \$	Variance \$	%
	SWDC-CPX-FSTN WWTP Upgrades & Consent	46,713	33,605	(-13,109)	(-39%)	614,582	477,581	(-137,000)	(-29%)	989,595	850,000	(-139,595)	(-16%)
	SWDC-CPX-GTN Greytown WTP Upgrade Stage 3 (formerly Memorial Park)	96,213	0	(-96,213)		260,785	974,546	713,761	73%	290,024	2,500,000	2,209,976	88%
	SWDC-CPX-FSTN-Donald St PS Renewal	8,036	0	(-8,036)		1,475,411	1,200,000	(-275,411)	(-23%)	1,472,894	1,200,000	(-272,894)	(-23%)
	SWDC-CPX-FSTN-Donald St WWPS Rising Main	508	0	(-508)		106,922	0	(-106,922)		106,415	0	(-106,415)	
	SWDC-CPX-FSTN Tauwherenikau Pipeline Crossing	383	26,721	26,338	99%	5,302	64,493	59,191	92%	147,919	150,000	2,081	1%

## Annual Tax Update

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### 1. Purpose

To advise the Committee of Council's tax activities over the prior tax year and provide some context for the current tax environment.

### 2. Background

The *Tax Governance Framework* adopted in February 2024 established the tax governance framework and strategy for South Wairarapa District Council (SWDC).

Section 3.2 of the *Tax Governance Framework* requires SWDC to report on all tax risk management matters to the Assurance, Risk and Finance Committee at least once each year. This *Annual Tax Update* report is for the tax year ending 31 March 2024.

### 3. Recommendations

Officers recommend that the Committee:

1. Receive the *Annual Tax Update* report.

### 4. Key financial information

South Wairarapa District Council has no outstanding taxes for the year ended 31 March 2024, and no penalties or interest were imposed during the year.

Taxes paid by South Wairarapa District Council during the last two tax years are as follows:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
Goods & Services (GST) (net paid)	\$499,707	\$783,339
Pay as You Earn (PAYE)	\$1,667,457	\$1,509,366
Fringe Benefits (FBT)	\$3,320	\$6,160

### 5. Tax advice and matters addressed.

Tax compliance has been routine throughout the year, with returns being filed on time, and no concerns raised. No tax advice was sought, and there are no current plans to seek advice on any tax matters.

## **6. Fringe Benefits Tax (FBT)**

Changes to vehicle policies and practices have resulted in the elimination of fringe benefits subject to taxation. This has led to the decision to close the FBT (Fringe Benefits Tax) account after the final return for the period ending 31 March 2024.

Closing the FBT account streamlines tax administration processes and eliminates the need for ongoing reporting and compliance associated with FBT. All necessary documentation will be properly archived for record-keeping.

Regular reviews of company policies and practices regarding fringe benefits will be conducted to help ensure ongoing compliance with relevant tax laws and regulations, even if the FBT account has been closed. If further changes in policies and/or practices indicate that taxable fringe benefits have resumed, action will be taken.

## **7. Impacts of legislative changes**

### **7.1 Proposed changes to marginal tax rates**

The Government has proposed shifting individual income tax brackets from 1 July 2024. Finance will collaborate with our payroll system provider to ensure that appropriate updates to the system are made once the changes are legislatively approved. Additional manual checks have been recommended by Inland Revenue and will be performed for the first pay after the new thresholds take effect.

### **7.2 Establishment of CCOs**

As more information on water services solutions emerges, we will continue to investigate the tax considerations of any options proposed, and seek advice where necessary.

Tax considerations of CCOs vs councils may include:

- Income tax on profits – what is taxable income & what is exempt.
- Withholding taxes on dividends to member councils.
- Compliance with rules around:
  - transactions within the CCO group
  - interest deductibility limits (aka “thin capitalisation”)
  - tax credits on government incentives, e.g., research & development
  - grants from central government for infrastructure.

## **8. Tax tools and services**

SWDC currently has a LOW tax risk profile, largely due to the simple nature of its operations, and the open & honest working relationship with Inland Revenue. Due to this risk profile, external tax tools and services are currently not considered necessary, and compliance is maintained by internal resources.

Contact Officer: Charly Clarke, Acting Finance Manager  
Reviewed By: Paul Gardner, Group Manager, Corporate Services

## Audit Update

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### 1. Purpose

To update the committee on the progress of the regular audit cycle and any emerging risks.

### 2. Background

The audit cycle is a crucial process ensuring transparency, accountability, and assurance in local government. This report provides an overview of the current progress in the audit cycle of South Wairarapa District Council.

Each year SWDC produces annual financial and non-financial performance information in the form of the Annual Report for the year ending 30<sup>th</sup> June. Audit NZ visits for two periods, known as Interim and Final.

The Interim audit period focuses on documented control systems and processes, and testing that those are followed. Testing of transactions for the period up to the latest completed month is also conducted.

During the Final audit period, the focus is more on the content of the draft Annual Report, including financial statements and non-financial performance measures.

### 3. Recommendations

Officers recommend that the Committee:

1. Receive the *Audit Update* report.

### 4. Audit 2023

On the 18th of April 2024 Audit NZ provided SWDC with their Report to the Council on the audit of South Wairarapa District Council for the year ended 30 June 2023, which is in Appendix One of this report.

The key messages were:

- An unmodified audit opinion was issued.
- The overall conclusion is that the overall control environment is effective.

Three recommendations were made:

- To implement completeness checks on declared interests and related party transactions.

- To implement a reconciliation of rates in advance between the general ledger and rates data.
- To identify and review fully depreciated assets that are still in use in the fixed asset register.

The first two recommendations are already being implemented, the third will be considered once asset roles within SWDC have been filled.

## **5. Audit 2024**

In 2024 the Interim audit is due to take place from the 24<sup>th</sup> of June to the 5<sup>th</sup> of July. All Interim information requested so far has been provided to Audit NZ.

The draft Annual Report is due to Audit NZ by 31<sup>st</sup> August, and the Final audit is due to take place from the 23<sup>rd</sup> of September, with the adoption of the final document scheduled on the 30<sup>th</sup> of October 2024. This is a tight timeframe which we will work with Audit NZ to maintain.

## **6. Appendices**

Appendix 1 - Audit NZ Report to the Council 2023

Contact Officer: Charly Clarke, Acting Finance Manager

Reviewed By: Paul Gardner, Group Manager, Corporate Services

# **Appendix One – Audit NZ Report to the Council 2023**

**Report to the Council  
on the audit of**

South Wairarapa District  
Council

For the year ended 30 June 2023

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## Key messages

We have completed the audit for the year ended 30 June 2023. This report sets out our findings from the audit and draws attention to areas where the South Wairarapa District Council (the District Council) is doing well and where we have made recommendations for improvement.

### Audit opinion

We issued an unmodified audit opinion dated 7 December 2023.

Our audit opinion included an emphasis of matter paragraph in relation to the uncertainty of impacts and developments relating to the water services reform programme. We elaborate on this in section 2.1 of this report.

### Assessment of the control environment

Based on our audit work completed, our conclusion is that the overall control environment is effective for the purposes of our audit.

### Matters identified during the audit

In our Audit Plan we identified areas that we consider to be significant risks or specific areas of audit focus for the 2022/23 audit. We conclude on these areas in section 4 of this report.

We have identified several new issues and related recommendations for reporting to the Council:

- No completeness checks on declared interests or formal assessments conducted against the requirements of financial reporting standards.
- Lack of reconciliation between rates in advance per the general ledger and year-end rates report.
- Unable to isolate fully depreciated assets still in use in the fixed asset register.

We elaborate on these issues and related recommendations in section 3 of this report.

### Thank you

We would like to thank the Council, management and staff for their assistance during the audit.

*Karen Young*

Karen Young  
Appointed Auditor  
18 April 2024

# 1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	<b>Needs to be addressed <i>urgently</i></b> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	<b>Address at the earliest reasonable opportunity, <i>generally within six months</i></b> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	<b>Address, <i>generally within six to 12 months</i></b> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

## 1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<b>No completeness checks on declared interests or formal assessments conducted against the requirements of financial reporting standards</b> Management should review the processes around identification of related parties and perform completeness checks on declared interests at least annually to ensure all potential related parties are identified and assessed for disclosure within the financial statements.	3.3.1	Necessary
<b>Lack of reconciliation between rates in advance per the general ledger and year-end rates report</b> The District Council should prepare a reconciliation at year-end to clearly evidence how the rates in advance recorded in the general ledger ties to the rates report.	3.3.2	Necessary
<b>Unable to isolate fully depreciated assets still in use in the fixed asset register</b> The District Council should perform an assessment of assets that are fully depreciated in their asset register to ascertain which are still in use and further assessing whether the useful lives of similar assets remain appropriate.	3.3.3	Necessary

**1.2 Status of previous recommendations**

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	3	3	6
Implemented or closed	-	3	0	3
<b>Total</b>	-	6	3	9

## 2 Our audit report

### 2.1 We have issued an unmodified audit report



We have issued an unmodified opinion dated 7 December 2023. This means we were satisfied that the financial statements and performance information presents fairly the District Council's activity for the year and its financial position at the end of the year.

Without modifying our audit opinion, we included an emphasis of matter paragraph to draw the readers' attention to the relevant notes in the financial statements which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, established ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. With the change in government, it may be repealed or substantially amended.

After completion of our audit, the Water Services Acts Repeal Bill had its third reading in Parliament on 13 February 2024.

### 2.2 Uncorrected misstatements

The financial statements and performance information are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial.

All misstatements, other than those which were clearly trivial, were corrected.

### 2.3 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. At the start of the audit we were provided with a draft annual report, and supporting working papers.

These were generally of reasonable quality, however we recommend that management continue working at improving its documentation to support information reported within the annual report.

## 3 Assessment of internal control



The District Council, with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. Our audit considers the internal control relevant to preparing the financial statements and the service performance information. We review internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work, and may not include all weaknesses for internal controls relevant to the audit.

### 3.1 Control environment

The control environment reflects the overall attitudes, awareness and actions of those involved in decision-making in the organisation. It encompasses the attitude towards the development of accounting and performance estimates and its external reporting philosophy, and is the context in which the accounting system and control procedures operate. Management, with the oversight of those charged with governance, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We have performed a high-level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We considered the overall attitude, awareness, and actions of the District Council and management to establish and maintain effective management procedures and internal controls.

The elements of the control environment provide an appropriate foundation for other components of internal control.

### 3.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and service performance reporting. These internal controls are designed, implemented and maintained by the District Council and management.

We reviewed the internal controls in your information systems and related business processes. This included obtaining an understanding of the controls in place for your key financial and service performance information systems.

New findings and recommendations relating to these internal controls are outlined below and recommendations outstanding from previous years are included in Appendix 1.

We acknowledge that some of the challenges with implementing recommendations are inherently related to the size of the District Council, the number of staff available to implement full segregation of duties within the finance function, and the manual nature of some of the District Council's processes and controls, however we would encourage the District Council to continue to progress outstanding recommendations.

### **3.3 Recommendations arising from our audit**

#### **3.3.1 No completeness checks on declared interests or formal assessments conducted against the requirements of financial reporting standards**

As part of our work over related party transactions and disclosures, we enquired with management on the process for identification of interests and how these are assessed against the requirements of PBE IPSAS 20 *Related party disclosures*.

We identified that the District Council does not have a process in place to confirm interest declarations are complete, which could result in related party transactions being omitted from the financial statements.

We further identified that there are no formal assessments conducted against the requirements of financial reporting standards to identify whether declared interests are related parties as defined by PBE IPSAS 20 *Related party disclosures*, and an assessment of aggregate transactions with said related parties for disclosure, if any.

**We recommend** that management review the processes around identification of related parties and perform completeness checks on declared interests at least annually to ensure all potential related parties are identified and assessed for disclosure within the financial statements.

#### **Management comment**

*For the year ending 30 June 2024 SWDC are implementing the use of Microsoft Forms to facilitate completeness checks of the disclosures, and the storing of disclosure responses.*

*Microsoft Forms is a survey tool that allows the sender to track who has responded and download the responses in spreadsheet format.*

#### **3.3.2 Rates in advance reconciliation to rates report**

Based on work performed over rates in advance, we noted that we were unable to agree individual general ledger accounts to amounts per the year-end rates statement.

We were able to agree the balances in aggregate to within a trivial margin and therefore gained assurance that the financial statements are not materially misstated.

**We recommend** that the District Council prepares a reconciliation at year-end to clearly evidence how the rates in advance recorded in the general ledger ties to the rates report.

#### **Management comment**

*SWDC will implement a reconciliation of general ledger balances and rates statement.*

### 3.3.3 Unable to isolate fully depreciated assets still in use in the fixed asset register

Based on work performed over Property, Plant and Equipment, we established that the District Council was unable to identify which fully depreciated assets within the asset register are still in use by the Council and which needed to be derecognised.

This poses a challenge to asset valuations, as there is a risk that underlying assets no longer in use are included in valuations and further impacts management's ability to accurately assess useful lives of assets on an ongoing basis.

We were informed that this issue stems from the lack of a dedicated asset manager, which per our understanding, the District Council is planning to employ in the near future.

**We recommend** that the District Council performs an assessment of assets that are fully depreciated in their asset register to ascertain which are still in use and further assessing whether the useful lives of similar assets remain appropriate.

#### **Management comment**

*The functions and future needs of the GIS & Asset Data Officer are being resourced through alternative methods whilst we undertake a recruitment process. An additional role of Asset Manager is being sought through the Annual Plan process.*

*A priority for both of these roles will be in reviewing the assets of SWDC, and ensuring robust processes for maintaining asset data are implemented.*

## 4 Matters raised in the Audit Plan



In our Audit Plan, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
<b>The risk of management override of internal controls</b>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit</p>	<p>Our audit response included:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;</li> <li>• reviewing accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud; and</li> <li>• for any significant transactions that are outside the normal course of business, or that otherwise appear to be unusual given our understanding of the District Council and its environment and other information obtained during the audit, we evaluated whether the business rationale (or the lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.</li> </ul> <p>No new matters have been identified to bring to Council's attention.</p>
<b>Fair value of Property, Plant and Equipment (non-valuation year)</b>	
<p>PBE IPSAS 17, Property, Plant and Equipment, requires that valuations be conducted with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>The District Council has adopted a policy to revalue its infrastructure, and land and building assets on a cyclical basis. The District Council last revalued its land and buildings as at 30 June 2022 and infrastructure assets on 30 June 2021.</p>	<p>We have reviewed the reasonableness of the District Council's assessment including the appropriateness of the assumptions used in the assessment. As part of our work we have:</p> <ul style="list-style-type: none"> <li>• obtained and reviewed the assessments for reasonability with reference to processes, assumptions and inputs used; and</li> <li>• reviewed the basis for each assessment to ensure that it complies with generally accepted accounting practice.</li> </ul>



Audit risk/issue	Outcome
<p>As this was a non-revaluation year, the District Council had to formally assess whether the carrying value of the applicable assets fairly reflected its fair value at 30 June 2023.</p> <p>A fair value assessment should:</p> <ul style="list-style-type: none"> <li>• factor in local cost information;</li> <li>• utilise relevant and reliable price movement indicators; and</li> <li>• involve consulting with valuers, if necessary.</li> </ul> <p>Alternatively, the District Council could engage external valuers to assist in preparing its fair value assessment (which was the approach selected by management).</p> <p>It is prudent that the District Council makes this assessment at an early stage, as a full valuation if required takes a significant amount of time to complete.</p>	<p>We have confirmed the movement of the assets individually or in combination with other asset classes were not significant the District Council and therefore there was no need to complete a revaluation or process the movement through its records.</p> <p>Refer to 3.3.3 above for a related matter identified during our audit.</p>
<b>Valuation of investment property</b>	
<p>The Council revalue its investment property annually as required by PBE IPSAS 16 Investment Property.</p> <p>The fair value of investment properties needs to reflect the market conditions as at reporting date.</p> <p>Due to the nature and value of the revaluations, any bias or errors in the inputs used or calculations performed could result in a significant misstatement in the value of investment property.</p>	<p>As part of our audit response we have:</p> <ul style="list-style-type: none"> <li>• reviewed the valuation report and hold discussions with the District Council and the valuer to confirm our understanding;</li> <li>• reviewed the valuation report to assess whether the requirements of PBE IPAS 16 (including the appropriateness of the valuation basis) have been met;</li> <li>• evaluated the qualifications, competence and expertise of the external valuer;</li> <li>• reviewed the valuation method and assessed if the applicable method used is in line with the financial reporting framework, including the reasonableness of the data and key assumptions used; and</li> <li>• reviewed the accounting entries and associated disclosures in the annual report against relevant accounting standards.</li> </ul> <p>No new matters have been identified to bring to Council's attention.</p>

Audit risk/issue	Outcome
<b>Asset impairment considerations</b>	
<p>In accordance with PBE IPSAS 21, Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets, at each reporting date management must assess whether there is any indication that an asset may be impaired. If management identifies any indication of an impairment, then they must estimate the recoverable service amount of the asset.</p> <p>Assets are required to be assessed for indicators of impairment on an annual basis.</p> <p>Irrespective of whether there are any indications of impairment, intangible assets not yet available for use (that is, work-in-progress) and intangible assets with indefinite useful lives must be tested for impairment at least annually.</p> <p>Work-in-progress (WIP) values on projects that span an extended period should be assessed regularly for impairment over the life of the project. The Council needs to ensure that as phases of a project are completed, and assets become operational, capitalisation of the WIP balance occurs in a timely manner. This will ensure that depreciation expense on these assets is recognised and accounted for appropriately.</p> <p>The District Council had to complete the necessary assessment of impairment of assets (as above). In addition, intangible assets not yet available for use (that is, work-in-progress) and intangible assets with indefinite useful lives must be tested for impairment at least annually.</p>	<p>As part of audit response we have:</p> <ul style="list-style-type: none"> <li>• reviewed management’s assessments of indicators of impairment.</li> </ul> <p>Indicators of impairment were present for roading assets due to impacts of recent severe weather events. For these affected assets, we have:</p> <ul style="list-style-type: none"> <li>• reviewed management’s impairment assessments;</li> <li>• evaluated the reasonableness of the significant assumptions;</li> <li>• evaluated how management has addressed estimation uncertainty; and</li> <li>• reperformed calculations made by management.</li> </ul> <p>No new matters have been identified to bring to Council’s attention.</p>
<b>Water Services Reform Programme</b>	
<p>The Three Waters Reform programme (the Reform) is expected to result in significant structural changes to the management, funding and ownership of water supply, wastewater, and stormwater assets in the local government sector.</p> <p>The previous Government announced several changes to the reform. On 13 April 2023, they outlined changes to the number of water</p>	<p>The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, established ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.</p>

Audit risk/issue	Outcome
<p>services entities and a staggering of their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.</p> <p>The Bill to enable the transfer of three waters related assets and liabilities to the water services entities was with the select committee at the time of planning our audit and was needed to be passed to enable water assets to transfer to the related water entity.</p> <p>The timing of the legislation through Parliament had the potential to impact the 30 June 2023 annual report. If the legislation had not passed before 30 June an updated disclosure may still be appropriate. If the legislation was passed before 30 June, there would likely be some additional accounting and disclosure requirements.</p> <p>The District Council had to ensure that sufficient disclosure about impact of the reform (to the extent that the impact is known) was included in the annual report.</p>	<p>Water services entities' establishment dates were to be staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remained uncertain until the relevant water services entity's establishment date were known, and the allocation schedule of assets, liabilities, and other matters to be transferred was approved. In addition, there was uncertainty around the water services reform legislation.</p> <p>With the change in government, there was a potential for the legislation to be repealed or substantially amended.</p> <p>We included information in our audit report to draw the readers' attention to District Council's disclosure about the water services reform programme.</p> <p>After completion of our audit, the Water Services Acts Repeal Bill had its third reading in Parliament on 13 February 2024.</p>
<b>Drinking water quality performance measures</b>	
<p>Providing safe drinking water is a core function of the District Council and reporting how it has performed in respect of this function in the annual report is important performance information.</p> <p>The regulatory regime in place over the safety of drinking water has transitioned in the 2023 year from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) which came into effect on 14 November 2022.</p> <p>Performance measures about compliance with the DWS are currently mandated by the Department of Internal Affairs who have issued mandatory performance measures that are required to be reported against in District Council's annual report.</p> <p>There were no similar performance measures with respect to the new DWQARs. Despite this</p>	<p>We have updated our understanding of the systems and controls in place for reporting on compliance with the drinking water standards at Wellington Water.</p> <p>We have placed reliance on work performed by the Wellington Water audit team and were able gain sufficient appropriate audit evidence over the results reported.</p> <p>No new matters have been identified to bring to Council's attention.</p>

Audit risk/issue	Outcome
<p>it was important that the District Council included appropriate performance information about their compliance with the new DWQARs. This performance information was subject to audit and therefore it was important that District Council was able to support the performance results that they reported.</p>	
<b>New accounting standard - Adoption of PBE FRS 48 Service Performance Reporting</b>	
<p>PBE FRS 48 Service Performance Reporting replaced that part of PBE IPSAS 1 Presentation of Financial Statements that deals with service performance reporting requirements and was effective for annual reporting periods beginning on or after 1 January 2022, that is, for the District Council, it was for the year ended 30 June 2023.</p> <p>The objective of the standard is “to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report”. PBE FRS 48 requires an appropriate and meaningful mix of performance measures and/or descriptions, including, where appropriate, measures of both the goods and services provided and of what has been achieved in the District Council’s areas of responsibility.</p> <p>In addition, PBE FRS 48 imposes additional disclosure obligations on entities. For example, paragraph 44 requires an entity to “disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information reported in accordance with this Standard that are relevant to an understanding of the entity’s service performance information”.</p> <p>Further, if the District Council changes what it reports as service performance information compared to the previous year, then PBE FRS 48 requires the District Council to explain the nature of the changes and their effect.</p>	<p>We have reviewed the District Council’s compliance with the new standard.</p> <p>We have also provided a PBE FRS 48 Service Performance Reporting checklist to the District Council to perform a self-review.</p> <p>No new matters have been identified to bring to Council’s attention.</p>

## 5 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

We did not identify any issues to bring to your attention in relation these areas.

## 6 Useful publications



Based on our knowledge of the District Council, we have included some publications that the Council and management may find useful.

Description	Where to find it
<b>Performance reporting</b>	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">The problems, progress, and potential of performance reporting</a>
The Office of the Auditor-General, the Treasury and Audit New Zealand have jointly prepared good practice guidance on reporting about performance. The guidance provides good practice examples from public organisations in central government. Those working in other sectors may also find this useful.	On Audit New Zealand's website under good practice.  Link: <a href="#">Good practice in reporting about performance — Office of the Auditor-General New Zealand (oag.parliament.nz)</a>
<b>Local government risk management practices</b>	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where Councils do not have effective risk management. This report discusses the current state of local government risk management practices and what Councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">Observations on local government risk management practices</a>
<b>Public accountability</b>	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">Building a stronger public accountability system for New Zealanders</a>

Description	Where to find it
<b>Setting and administering fees and levies for cost recovery</b>	
<p>This good practice guide provides guidance on settings fees and levies to recover costs. It covers the principles that public organisations should consider when making any decisions on setting and administering fees and levies. It also sets out the matters public organisations should consider when calculating the costs of producing goods or providing services and setting charges to recover those costs.</p>	<p>On the Office of the Auditor-General’s website under publications.</p> <p>Link: <a href="#">Setting and administering fees and levies for cost recovery: Good practice guide</a></p>
<b>Managing conflicts of interest involving Council employees</b>	
<p>This article discusses findings across four Councils on how conflicts of interest of Council employees, including the Chief Executive and staff, are managed.</p>	<p>On the Office of the Auditor-General’s website under publications.</p> <p>Link: <a href="#">Getting it right: Managing conflicts of interest involving council employees</a></p>
<b>Sensitive expenditure</b>	
<p>The Auditor-General’s good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders “setting the tone from the top”. It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p>	<p>On the Office of the Auditor-General’s website under good practice.</p> <p>Link: <a href="#">Sensitive expenditure</a></p>
<b>The Auditor-General’s report on the results of recent audits</b>	
<p>The OAG publishes a report on the results of each cycle of annual audits for the sector.</p>	<p>On the OAG’s website under publications.</p> <p>Link: <a href="#">Local government 2019/20 audits</a></p>
<b>Good practice</b>	
<p>The OAG’s website contains a range of good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> <li>• audit committees;</li> <li>• conflicts of interest;</li> <li>• discouraging fraud;</li> <li>• good governance;</li> <li>• service performance reporting;</li> <li>• procurement;</li> <li>• sensitive expenditure; and</li> <li>• severance payments.</li> </ul>	<p>On the OAG’s website under good practice.</p> <p>Link: <a href="#">Good practice</a></p>

Description	Where to find it
<b>Procurement</b>	
<p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p>	<p>On the OAG’s website under publications.</p> <p>Links: <a href="#">Strategic suppliers: Understanding and managing the risks of service disruption</a></p> <p><a href="#">Getting the best from panels of suppliers</a></p> <p><a href="#">Local government procurement</a></p>



# Appendix 1: Status of previous recommendations

## Open recommendations

Recommendation	First raised	Status
<b>Necessary</b>		
<p><b>Breaches of investment policy</b></p> <p>We recommend appropriate processes be implemented to ensure compliance with the investment policy or update the policy if no longer fit for purpose.</p>	2021/2022	<p><b>In progress</b></p> <p>2023 update:</p> <p>The last year finding remains as there were still policy breaches in the current year.</p> <p>Auditors will review this issue again as part of the 2024 audit.</p>
<p><b>Statement of service performance – Survey results</b></p> <p>We recommend that the District Council investigate any significant underperformance against targets set for performance measures involving surveys, and where appropriate reports the reasons for underperformance in the annual report and actions intended to address any deficiencies.</p>	2018/19	<p><b>In progress</b></p> <p>2023 update:</p> <p>The Executive Leadership Team have begun to develop an annual workplan that addresses indicators that have not been met. It has been acknowledged that the indicators were not set at a realistic level and therefore require a comprehensive review to ensure that the indicators reflect both what is achievable and what our communities expect.</p> <p>We will review progress against this during our 2024 audit.</p>
<p><b>Creditors Masterfile</b></p> <p>The District Council should independently review all changes to the Creditors Masterfile, including bank account changes and new creditors.</p> <p>The District Council should ensure that a report including all changes is run when Creditor Masterfile review is going to occur to ensure no changes are missed.</p> <p>We further recommend that the District Council should independently verify bank account changes with the vendor instead of using the details per the invoice only, as cyber-attacks and fraud are becoming increasingly sophisticated.</p>	2017/18	<p><b>In progress</b></p> <p>Changes have been implemented during the year and will be reviewed as part of the 2023/24 audit.</p>

Recommendation	First raised	Status
<b>Beneficial</b>		
<p><b>Excessive annual leave balances</b></p> <p>The District Council should regularly review employee leave balances and ensure employees with excessive balances have leave plans put in place.</p>	2017/18	<p><b>In progress</b></p> <p>2023 update:</p> <p>SWDC are working with individuals who have high balances to reduce these and have plans in place for the top 12. High leave balances are on the District Council's risk register.</p> <p>No specific testing over leave balances has been performed in 2022/23 as the balance was not material. Audit will review this again as part of the 2024 audit</p>
<p><b>Expenditure approval</b></p> <p>The District Council's sensitive expenditure policies include a requirement for the Chief Executive's expenses to be approved by the Mayor. The policies also require for the approval of the Mayor's expenses to be approved by the Chief Executive. A circular approval relationship is therefore created. The District Council should consider an alternate approver for the Mayor's expenditure.</p>	2019/20	<p><b>In progress</b></p> <p>2023 update:</p> <p>We have noted that the Chief Executive still approved the Mayor's expenses up until Nov 2022, until the FAR Committee was established. We will review this again as part of our 2024 audit.</p> <p>For expenditure incurred by the Chief Executive we have confirmed for the year under audit expenditure has been approved by the Mayor.</p>
<p><b>Sensitive Expenditure Policy</b></p> <p>The District Council should update the policy to ensure it covers all best practice guidelines.</p>	2018/19	<p><b>In progress</b></p> <p>2023 update:</p> <p>We recommend that the Council implements a formal Credit Card policy which incorporates the OAG good practice guidelines.</p>

### Implemented or closed recommendations

Recommendation	First raised	Status
<p><b>Verbal approval of journals</b></p> <p>We recommend the District Council's supporting documentation should be maintained on the approvals of all journal entries.</p>	2021/22	<p><b>Closed</b></p> <p>There were no further issues identified on during final audit, therefore the issue has been resolved.</p>

Recommendation	First raised	Status
<p><b>Inadequate support for grant expenditure</b></p> <p>We recommend that the appropriate processes and controls should be established, including record keeping, relating to all grant approvals.</p>	<p>2021/22</p>	<p><b>Closed</b></p> <p>Based on audit work performed for 2022/23 there has been no similar issue noted, therefore the issue has been closed.</p>
<p><b>Network password security</b></p> <p>The District Council should improve its network user access password controls to comply with NZ Information Security Manual (NZISM).</p>	<p>2020/21</p>	<p><b>Closed</b></p> <p>Changes recommended were implemented and the District Council have also introduced Multifactor Authentication.</p>

## Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement relating to the District Council's Debenture Trust Deed. We have also audited the District Council's 2021-31 long-term plan. Other than these engagements, we have no relationship with, or interests in, the District Council.</p>
Fees	<p>The audit fee for the year was \$131,418 excluding GST and disbursements, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period totals \$5,000 excluding GST and disbursements, for a limited assurance engagement relating to the District Council's Debenture Trust Deed.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.</p> <p>We are not aware of any instances where a staff member of Audit New Zealand accepted a position of employment with the District Council during or since the end of the financial year.</p>

## AUDIT NEW ZEALAND

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## Risk Management Update

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### 1. Purpose

To provide members with updates to risk management since the last meeting of the Committee.

### 2. Recommendation

Officers recommend that the Committee:

1. Receive the *Risk Management Update Report*.

### 3. Executive Summary

Robust risk management is essential to South Wairarapa District Council to support the achievement of its strategic objectives.

The systematic management of risk is important for any organisation and in particular to a business as large and diverse as Council. Ensuring an appropriate risk management framework is in place is an important function of the Assurance, Risk and Finance Committee.

This report outlines initiatives that in staff's view should provide members of the Committee with confidence that risks, and statutory compliance are being well managed across the organisation and there is continuous improvement in the management of risk at Council.

This formal reporting sits alongside the less formal Chief Executive and Strategic Leadership Team risk discussions, and the discussions that generally take place at each meeting of the Committee.

### 4. Discussion

This report been developed in line with Council's current Risk Policy and Risk Management Framework and feedback from previous Committee meetings.

The key purpose of the report is to provide a base for discussion and to trigger effective risk conversations by the Committee. The report provides the Committee with the results of the quarterly review of risks including significant risk trends and any emerging risks.

The Strategic Leadership Team also conducts a quarterly review of the report in the lead-in to the Assurance, Finance and Risk Committee review.

The evolution of risk management reporting will continue as mechanisms for gathering the necessary data are developed and the organisation continues to mature in its' risk management practices. Staff welcome feedback and ideas from this Committee to improve the usefulness of the information provided.

## **5. Significant risks register**

### **5.1 Summary and key insights**

- There are currently nine significant risks and three operational risks identified for May 2024. The following risk themes were removed from the register by the Strategic Leadership Team (SLT) in April/May 2024. These were due to the fact that they are operational in nature and managed by the SLT:
  - Regulatory failure and liability from consenting and compliance activities
  - Fit for purpose organisational design
  - Customer centricity
  - Privacy and information.
- Three new risks have been identified since the last meeting of the Committee and have been added to the register:
  - Swimming pool audits
  - Regional alignment
  - Health and safety.
- The relatively high levels of residual risk indicate the current volatility within the environment.

The significant risk register is attached to this report as Appendix 1.

### **5.2 Mitigations**

Overall, mitigations included in the significant risk register involve monitoring and acceptance. Further planning for mitigations and prioritisation of identified risks is suggested to ensure that implementation and adjustments are being made consistently across the organisation.

Current mitigations are being updated on a regular basis by the Strategic Leadership Team, please refer to Appendix 1 for more information.

## **6. Legislative compliance**

Appendix 2 outlines information that in staff's view should provide the Assurance, Risk and Finance Committee confidence that statutory compliance is being monitored and well-managed.

The key areas for the statutory compliance that this report covers are: building consents, resource consents, LIMS, water, information requests, Ombudsman's investigations and privacy.

The report provides an opportunity for the Committee to raise any questions about current statutory compliance and to discuss any areas for improvement.

## **7. In development**

A workshop to refresh the significant risks will be scheduled later this year. The key objective of the significant risks workshop will be seeking input from the Committee to refresh the list, prioritise and discuss mitigations in detail.

The development of a risk appetite statement is set to commence later in the year. This tool will assist in confirming the appetite for each of the significant risks to identify tension/trade-off areas for each risk and clearly articulate where Council is willing to pursue or avoid risks. The SLT will workshop the risk appetite for each of the current Significant Risks and the outcomes will be included in the briefing pack for a scheduled workshop with the Committee (date TBC).

## **8. Appendices**

Appendix 1 – Significant Risk Register

Appendix 2 – Legislative Compliance

Appendix 3 - Risk Framework - <https://swdc.govt.nz/wp-content/uploads/Risk-Management-Framework-Feb24-1.pdf>

Contact Officer: Paul Gardner, Group Manager Corporate Services

Reviewed by: Janice Smith, Chief Executive Officer



# **Appendix 1 – Significant Risk Register**

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Risk Drivers (Existing and Potential Causes)	Accountable	Inherent Likelihood	Inherent Consequence	Inherent Risk	Existing Mitigations	Mitigations in Development	Responsible	Residual Likelihood	Residual Consequence	Residual Risk	Monitoring and review
SR1	Relationship with iwi, hapū, Māori	Cultural Risks	Council decisions and processes do not fulfil our obligations under Te Tiriti o Waitangi, The Treaty of Waitangi, respectful of tikanga and iwi, hapū, te ao Māori, Māori world view. External or internal events may have a material impact on the quality of the relationship the SWDC has with iwi, hapū, Māori. The understanding of the SWDC role under under Te Tiriti o Waitangi, The Treaty of Waitangi is developing and requires resourcing. If the SWDC does not respond adequately, it could result in decreasing trust, a claim under the Waitangi Tribunal, financial loss, and reputational damage.	Lack of or inadequate: •Partnership Policy and outdated Māori Policy/Significance and Engagement Policy •Staff and elected official cultural competence •Sharing of relationship insights across council •Sufficient resources •Lack of a full and appropriate process of engagement or consulting with Mana whenua in identifying areas of significance to Māori/Mana Whenua	CE	Likely(4)	Moderate(2)	High	•Established role of Pou Māori (Principal Advisor Māori) •Maintenance and support of the Māori Standing Committee this includes ensuring and maintaining full mana whenua representation •Relationships held between marae committees, iwi entities, the CE, the and the Mayor •Collaborations with other councils to align engagement with iwi on some projects (e.g. climate change) •Cultural competence training for all staff and elected officials (in progress) •Developing the role of Pou Māori to engage broadly internally and externally to better advise on the Councils obligations under Te Tiriti o Waitangi with iwi, hapū •Coordinated collaboration with other councils to align engagement with iwi •Representation review includes iwi, hapū, and marae from the outset towards a partnership approach (Māori Ward) •Te Ao Māori and Te Reo opportunities for staff.	•Te Ao Māori and Te Reo training for elected officials •Comprehensive induction for elected officials •Partnership and Māori Policies developed, Significance and Engagement Policy reviewed	GM CS and Pou Māori	Probable(3)	Minor(1)	Medium	Notes: 04/02/2024 Updated existing mitigations noting action taken.  Quarterly at Assurance, Risk and Finance Committee meetings
SR2	Climate Change	Climatic Risks	Failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions may result from the complexity of processes and dependencies that may not adequately consider climate impacts. There may be impacts on the environment, health and safety or wellbeing of staff and the community, reputation, operations and finance and strategic goals may not be delivered.	Lack of or inadequate: •Preparedness •Coordination across services (planning, roading, finance, etc) •Connection to emergency management •Investment •Training of staff (understanding of issues, roles, and responsibilities) •Leadership •Communication internally, with key stakeholders, or the public	CE	Likely(4)	Extreme(4)	High	•Appointment to role of Climate Change Advisor to lead this work •Ruamāhanga Climate Change Strategy and Action Plan •Wellington Regional common climate change assumptions used to carry out a risk assessment •Contingency built into LTP budgets •Energy audits •Community self-assessment kits •Climate Change Resilience and Risk Strategy (further detailed mitigations) •Council's updated procurement policy supports sustainability	•Advancing planning measures including coastal retreat into our District Plan •Involvement in Regional Climate Change Impacts Assessment and Adaptation Plan, Emissions Reduction Strategy, and Food Systems Strategy projects under the Wellington Regional Leadership Committee which will provide regional and district specific actionable documents •Review of the Ruamāhanga Climate Change Strategy and Action Plan	SLT, Climate Change Advisor	Likely(4)	Major(3)	High	Note: updates made to mitigations (existing and in development) 21/03/24  Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
SR3	Crisis Management and Response	People Risks	Risk relates to a natural or human-induced disaster event impacting the health and safety or wellbeing of staff and the community and service delivery and resulting in financial loss.	Lack of or inadequate: •Preparedness •Investment •Training of staff (understanding of issues, roles, and responsibilities) •Leadership •Communication internally, with key stakeholders, or the public •Governance capability in leading an emergency response.	CE	Likely(4)	Major(3)	High	•Participation in Wellington Region Civil Defence Emergency Management Group •Participation in the Wellington Regional Leaders Committee and developing the Regional Economic Response Plan •Participation in the Wairarapa Emergency Operation Centre (EOC) •Some degree of response built into the 2024+34 LTP •Business Continuity Plan developed, reviewed annually and CIMS framework adopted for management of emergency situations •Engage the community boards and rural communities to participate in the Community Emergency Hubs.	•Working with WREMO to strengthen the community's knowledge and response capacity •Working with WREMO on coastal community tsunami response awareness. •Review cross Wairarapa level of resilience and readiness to identify gaps •Improve reporting.	GM CS Lead Advisor HSW & EM	Likely(4)	Moderate(2)	High	Notes: 01/02/24 Reduced residual risk  Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
OR1	IT System Failure	Operational Risks	Levels of investment in our IT architecture have not kept pace with technological advancements and the evolving needs of our organisation.	Lack of or inadequate: •Protection against external cyber attack e.g. ransomware •Planning •Understanding of the key issues •Policies and processes to support good practice •Training of staff (understanding of issues, roles, and responsibilities) •System architecture and software •Disaster recovery, business continuity and backups •IT transition (migration) •System resilience testing	CE	Likely(4)	Extreme(4)	High	•Ongoing updates for staff and regular updates on how to identify and respond to threats. •Annual testing of system resilience •Audit conducted of security measures and disaster recovery needs. •Appointment of Lead Advisor Information Management •Review and update of IT service contracts •Development of ICT and Information rolling 3 year Strategic Plan	•Needs assessment of future data storage requirements (linked with our future Information Management needs).	GM CS	Possible(2)	Moderate(2)	Medium	Notes: 01/02/24: updates to description and mitigations in development.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
SR4	Financial accountability	Reputational Risks	Risk of over-committing Council to work programmes, excess unbudgeted expenditure, fraud, inaccurate modelling, or financial shock. This may impact Council reputation, financial stability and sustainability, legal compliance, and ability to deliver strategic goals or meet service levels.	Lack of or inadequate: •Financial policies and procedures •Leadership •Training of staff (understanding of issues, roles, and responsibilities) •Code(s) of Conduct	CE and GMCS	Possible(2)	Major(3)	Medium	•Financial policies and financial delegations •Reporting to Assurance, Risk and Finance Committee •Code(s) of Conduct reviewed and updated •Staff training and elected member induction •Conflict of Interest Register.	•Implementation of new rating modelling platform	SLT	Rare(1)	Moderate(2)	Low	Note: 06/05/24: Update to theme (was Fraud and Corruption); changes to residual risk assessment.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
SR5	Government reforms	Legislative/Governance/Regulatory Risks	There are number of significant government reforms including changes to climate change, resource management, three waters reform and the future of local government review. These changes may impact council's strategic direction and community confidence and may raise challenges in terms of change preparedness. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.	Lack of or inadequate: •Preparedness •Investment •Leadership (regional integration and coherence) •Communication internally, with key stakeholders, or the public	CE	Likely(4)	Major(3)	High	•Principal Advisor Water Transition role established •Participation in external forums on multiple levels •WWLASC coordinated strategic approach for transition management planning and delivery •Monthly updates and forward planning reports provided •Appointment to Pou Māori role •Participation by CE in external forums •Agenda item on Executive Leadership fortnightly meetings •Membership of LGNZ and Taituarā •decision to move from an LTP to an Enhanced AP in February 2024. •CE update report to Strategy Working Committee (legislative changes and updates).	•Organisational change management plan •Regional entity to deliver water services under investigation •Built into AP and LTP	GM I&CO GM P&E GM CS Principal Advisor Water Transition	Likely(4)	Moderate(2)	High	Note: update to existing mitigation 18/03/24. Mitigations in development updated 02/05/24.  Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.

SR6	Social Licence to Operate and Reputation	Reputational Risks	This risk involves ongoing failure to effectively communicate or engage with the community on strategic, governance or operational matters, and includes risks associated with an ineffective media relationship. This may impact the ability to meet community outcomes and strategic goals, loss of trust and confidence, council reputation and operational delivery. Significant and ongoing failure may undermine Council's purpose and impact participation in, or effective conduct of, local democracy. This risk involves a failure to implement council's strategic direction; to monitor Council's performance against community outcomes; and to work effectively and cohesively at a governance level resulting in poor decision-making and failure to meet strategic goals. It also includes working effectively with Community Boards. This may impact Council reputation, trust and confidence and the ability to deliver strategic goals or meet service levels.	Lack of or inadequate: •Preparedness •Investment •Leadership •Communication internally, with key stakeholders, or the public •Communications & Engagement Strategy	CE	Likely(4)	Moderate(2)	High	<ul style="list-style-type: none"> <li>•Timely, fact based responses to media enquiries</li> <li>•Proactive information sharing and media releases via website, social media, and print media</li> <li>•Regular general communications on relevant topics using multiple channels</li> <li>•Improved connection between service delivery teams and comms team</li> <li>•Improved website content</li> <li>•Elected member e.g. drop in sessions, community forums etc</li> <li>•Proactive Release Policy for LGOIMA implemented and website content being built</li> <li>•LGOIMA process streamlined</li> </ul>	<ul style="list-style-type: none"> <li>•Development of Communications and Engagement Strategy</li> <li>•Improvements to engagement practices and processes e.g. Internal capability</li> <li>•Digital communications approach</li> <li>•Improved governance transparency.</li> </ul>	SLT	Likely(4)	Minor(1)	Medium	Note: (04/02/2024) Mitigations updated to reflect recent improvements.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
OR2	Critical Asset Failure	Asset failure (Infrastructure) Risks	There is a risk of operational failure that has a material impact on service delivery, including failure of critical assets (e.g. roads, drinking and wastewater treatment plants) and Council's ability to operate. This may impact health and safety or wellbeing of staff and the community, council reputation, loss of trust and confidence, not meeting service levels, strategic goals, regulatory or legal requirements and increased costs long term.	Lack of or inadequate: •Investment •Asset management programme •Leadership	CE	Likely(4)	Major(3)	High	<ul style="list-style-type: none"> <li>•Revised Infrastructure Strategy for LTP</li> <li>•Budget for asset planning, condition assessments and maintenance</li> <li>•Wellington Water Delivery Manager</li> <li>•Improved monitoring and control systems for early warning</li> <li>•Improved supply contingency capabilities for water</li> <li>•Improved communications with stakeholders</li> <li>•Improved governance</li> </ul>	<ul style="list-style-type: none"> <li>• Increase resourcing to be examined as part of the LTP process</li> <li>• Develop business continuity plan and improve reporting</li> </ul>	GM I&CO	Likely(4)	Major(3)	High	Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
SR7	Economic Shock	Reputational Risks	New Zealand has been on the tip of experiencing a recession with growth at or below 1% through 2023, known as a stagflationary recession. Inflation is at it's highest rate since the 1980s. There is a shortage of resources including human and materials in the country and this impacts on potential development and infrastructure, particularly water and roading. We propose an ambitious capital works programme in the LTP and Audit NZ has identified the risk of non-delivery. The impacts would be on council reputation, loss of trust and confidence, not meeting service levels, strategic goals or regulatory requirements and increased costs long term.	Lack of or inadequate: •Preparedness and understanding of economic climate •Leadership and decision-making •Policies and procedures	CE	Likely(4)	Moderate(2)	High	<ul style="list-style-type: none"> <li>•Planning – annual plan, long term plan, project planning</li> <li>•Membership of LGNZ and Taituara</li> <li>•Quarterly review of financial position to Assurance, Risk and Finance Committee</li> </ul>	<ul style="list-style-type: none"> <li>•Develop contingency plans for constrained resources</li> <li>•Prioritisation framework</li> <li>•Collaboration with community response and support organisations.</li> </ul>	SLT	Likely(4)	Moderate(2)	High	Note: (04/02/2024) Risk description updated to reflect economic situation.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
OR3	NEW - Swimming pool audits	Legislative/Governance/Regulatory Risks	Non compliance with the Building Act 2004 (3 yearly checks on residential swimming pools) may occur due to a lack of staff resource, which would lead to potential loss of life, loss of Council reputation, potential prosecution of Council.	Lack of adequate: •Resources to carry out checks.	CE	Possible (2)	Major (3)	Medium	<ul style="list-style-type: none"> <li>•Regular updates - fortnightly meetings with GMPE</li> <li>•Update on status - summary of situation and context provided to CE in March 2024.</li> <li>•Existing processes in place to check known pools.</li> <li>•Social media post in February 2024 regarding Keeping Safe This Summer (pool safety and with a link to some newer information that MBIE released for homeowners).</li> </ul>	<ul style="list-style-type: none"> <li>•Plan to shift resource to progress getting upto date by end of 2024 with checks for known pools</li> <li>•Further communications via website / social media to be discussed with Comms Team</li> </ul>	GM P&E Building Manager	Possible (2)	Minor(1)	Low	Risk identified 4 March 2024. Risk assessment completed on 15 March 2024.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
SR8	NEW - Regional alignment	Reputational and financial risks	Ability to deliver on the outcomes as outlined through SWDC strategic planning process and the financial and reputational implications associated with direction being dictated by external shared services arrangements.	Lack of (or in)adequate: • consistency of design for shared services arrangements •alignment of political view between Wairarapa councils. • communication • alignment in policy design.	CE	Likely(4)	Major (3)	High	<ul style="list-style-type: none"> <li>• Combined Council Forum - opportunities to discuss areas of commonality.</li> <li>• Make best possible use of joint policy working groups.</li> <li>• Regular catch ups between Chief Executives.</li> <li>• Managers involved in discussions about integrated services.</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions underway to identify areas for improvement for shared and integrated service opportunities.</li> <li>• Discussions underway for CCO for water services.</li> </ul>	SLT	Likely(4)	Moderate(2)	High	Risk identified in March and assessed 30 April 2024.  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.  Combined Council Forum scheduled meetings: 29 May, 28 August, 6 November 2024
SR9	NEW - Health and safety	Legislative and Reputational	Provision of a safe and healthy workplace. Provision of services and facilities to the community that are free of risk to health and safety. Compliance with Health and Safety at Work Act 2015 and associated regulations and guidance from the regulator. Inappropriately managed risk to H&S can lead to: Harm to a person or people, direct impacts to the family of the person and wider community, potential for prosecution, sites being temporarily shut down while the regulator investigates, damage to public reception and community moral, insurance premiums impacted, impact on staff morale and retention, impacted public role modelling	Lack of adequate: • Staff resourcing to ensure safe methods are not discounted at the expense of workload and time constraints. • Funding budgeted to procure appropriate equipment. • Funding to enable H&S aspects to be prioritised in procurement. • Championing of staff value in the face of public negativity.	CE	Likely(4)	Major (3)	High	H&S management system including risk management, contractor management, staff wellbeing provisions.	Ongoing continuous improvement approach to H&S.	SLT	Possible (2)	Moderate(2)	Medium	Risk identified and assessed 13 May 2024  Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.

## LIKELIHOOD

Likelihood Title	Description
<b>Rare</b>	It has not occurred before in these circumstances, but it is not impossible. Probability < 10%
<b>Possible</b>	It is not expected to occur, but it has been known to occur in a similar or related context. Probability between 10 and 40%.
<b>Probably</b>	There is some expectation that it may occur and is common in this context. Probability between 40 and 70%.
<b>Likely</b>	It is expected to occur, because it occurs frequently or is a well-documented expectation in this context. Probability > 70%.

## CONSEQUENCE

Categories	Consequence			
	Minor	Moderate	Major	Extreme
<b>Financial</b>	<ul style="list-style-type: none"> <li>• &lt; \$5,000 pa impact to Council operating expenditure; or</li> <li>• &lt; \$10,000 impact to Council capital expenditure; or</li> <li>• &lt; 0.04 rates increase.</li> </ul>	<ul style="list-style-type: none"> <li>• &lt; \$10,000 pa impact to Council operating expenditure; or</li> <li>• &lt; \$100,000 impact to Council capital expenditure; or</li> <li>• &lt; 0.4% rates increase.</li> </ul>	<ul style="list-style-type: none"> <li>• &lt; \$250,000 pa impact to Council operating expenditure; or</li> <li>• &lt; \$1,000,000 impact to Council capital expenditure; or</li> <li>• &lt; 1% rates increase.</li> </ul>	<ul style="list-style-type: none"> <li>• ≥ \$250,000 pa impact to Council operating expenditure; or</li> <li>• ≥ \$1,000,000 impact to Council capital expenditure; or</li> <li>• ≥ 1% rates increase.</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>• External reputation minimally affected, little effort or expense required to recover; and</li> <li>• Minimal loss of stakeholder trust &amp; confidence at local level; and</li> <li>• No presence in local media; and</li> <li>• Negligible impact on staff, &lt; 5% turnover per annum.</li> </ul>	<ul style="list-style-type: none"> <li>• External reputation slightly affected, minor effort or expense required to recover, with &lt; 1 year to re-establish confidence; and/or</li> <li>• Loss of stakeholder trust &amp; confidence at local level; and/or</li> <li>• Presence in local media only; and/or</li> <li>• Elevated impact on staff, &lt; 10% staff turnover per annum.</li> </ul>	<ul style="list-style-type: none"> <li>• External reputation damaged, effort and expense is required to recover, with 1-2 years to re-establish confidence; and/or</li> <li>• Loss of regional trust &amp; confidence including iwi, funding partners and elected members; and/or</li> <li>• Presence in regional/local media only; and/or</li> <li>• Critical staff roles impacted, 10 - 15% staff turnover per annum.</li> </ul>	<ul style="list-style-type: none"> <li>• External reputation severely damaged, considerable effort and expense required to recover, with 2-5 years to re-establish confidence; and/or</li> <li>• Loss of national trust &amp; confidence including government; and/or</li> <li>• Trending presence in national and international media; and/or</li> <li>• Major staff impact including critical roles, &gt; 15% staff turnover per annum.</li> </ul>
<b>Compliance / Legal</b>	<ul style="list-style-type: none"> <li>• Council challenge or threat of litigation, but are compliant or have the appetite to tolerate non-compliance costs; and</li> <li>• Contractor do not express concerns, or retract prior concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• Council get challenged and are found to be non-compliant with fines, penalties or legal exposure &lt; \$100,000; and/or</li> <li>• Contractor expresses concern and/or give verbal advice that, if breaches continue a default notice may be issued.</li> </ul>	<ul style="list-style-type: none"> <li>• Council get challenged and are found to be non-compliant with fines, penalties or legal exposure &lt; \$250,000; and/or</li> <li>• Contractor give written notice threatening termination if not rectified.</li> </ul>	<ul style="list-style-type: none"> <li>• Council get challenged and are found to be non-compliant with legal exposure <u>in excess of \$500,000</u>; and/or</li> <li>• Criminal conviction; and/or</li> <li>• Appointment of a commissioner under the LGA.</li> <li>• Contractor terminates contract (breach / default etc.)</li> </ul>

## Risk Matrix

Likelihood	Value	Consequence	Value
Rare	1	Minor	1
Possible	2	Moderate	2
Probable	3	Major	3
Likely	4	Extreme	4

Risk Rating	Min Score	Max Score
Low	0	2.9999
Medium	3	6.9999
High	7	7 - 16

		LIKELIHOOD				
		Rare	Possible	Probable	Likely	
		1	2	3	4	
CONSEQUENCE	Extreme	4	Medium	High	High	High
	Major	3	Medium	Medium	High	High
	Moderate	2	Low	Medium	Medium	High
	Minor	1	Low	Low	Medium	Medium

# Appendix 2 – Legislative Compliance

## 1. All Building consents

On track

Total consents granted	Total granted under 20 days	Average clock days	% processed under 20 days
323	316	14	97.52%

**Commentary for those compliance performance measures not meeting target YTD:**

7 consents were processed over 20WD, a contributing factor to this was a processing officer taking leave at the beginning of the year. A number of consents they had been working on had RFI's returned in their absence, and we have had to engage others to pick up this work. This required time for familiarisation before dealing with the information received.

The consents that went over time were processed within 21-26 working days

## 2. All Resource consent applications and notices

On track

Total applications	Total decisions	Target met	Average days utilised (incl extended days)	% issued within statutory timeframe
180	174	yes	16.65	99.32%

It is noted the average process days and % within statutory timeframes does not include Certificate of Compliances, Outline Plans, and Right of Way applications (37 in total) which would increase the % timeframe and likely reduce the average processing days. These consent types have been included in the total number of applications and decisions processed during this time. Only 1 subdivision consent was processed beyond the statutory timeframe. Given the increased complexity and number of applications received during this time, it is considered overall these stats are acceptable.

Land use			
Total applications	Total decisions	Average days utilised (incl. extended days)	% consents under 20 days
45	39	14.38	100%

Subdivision			
Total applications	Total decisions	Average days utilised (incl. extended days)	% consents under 20 days
98	97	19.29	98.97%

### Land use consents: on track

#### Subdivision consents: one consent identified as over the statutory requirements.

It is noted that during the second half of the year 2023, the planning team received a substantial number of applications within a short period of time, far exceeding normal applications received numbers. Leading up to the Proposed District Plan notification date where rural subdivision rules would be significantly changed, many subdivision consents were entered. Due to workload constraints and application complexity, 1/97 decisions processed exceeded statutory timeframes based on MagiQ reporting. Some consents were sent to external consultants for assessment and 27 consents were deferred under s37 RMA for doubled timeframes. It was noted that this time was unique and unprecedented and this level of workload is not anticipated for some time into the future.



### 3. Boundary Activity

On track

Total notices (application and decision)	Average days utilised	% notices under 10 days
10	1.36	100%

### 4. Marginal/Temporary Activity

On track

Total notices (application and decision)	Average days utilised	% notices under 20 days
1	1.36	100%

### 5. LIMS processed within timeframes

On track

Count LIMS	LIMS within timeframes	% non urgent LIMS	% urgent LIMS
199	199	70.35%	29.65%

### 6. Water compliance

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Water supply	1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)*						

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Water supply		Featherston Scheme	100%	Compliant	Compliant	Compliant	Compliant	Treatment plants in South Wairarapa are only equipped with treatment capability to handle Log 3 treatment, as this is what was required under the old drinking water standards, where the new standards require Log 4 treatment. Additional investment will be required to be compliant with the new drinking water quality rules.
Water supply		Greytown Scheme	100%	Non-compliant	Non-compliant	Non-compliant	Non-compliant	
Water supply		Martinborough Scheme	100%	Non-compliant	Non-compliant	Non-compliant	Non-compliant	
Water supply		Pirinoa Scheme	100%	Compliant	Compliant	Compliant	Compliant	
Water supply	1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)*						

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Water supply		Featherston Scheme	100%	Non-compliant	Non-compliant	Non-compliant	Non-compliant	Treatment plants in South Wairarapa are only equipped with treatment capability to handle Log 3 treatment, as this is what was required under the old drinking water standards, where the new standards require Log 4 treatment. Additional investment will be required to be compliant with the new drinking water quality rules.
Water supply		Greytown Scheme	100%	Non-compliant	Non-compliant	Non-compliant	Non-compliant	
Water supply		Martinborough Scheme	100%	Non-compliant	Non-compliant	Non-compliant	Non-compliant	
Water supply		Pirinoa Scheme	100%	Compliant	Compliant	Compliant	Compliant	
Water supply	2	The percentage of real water loss from the local authority's networked reticulation system	<30%	N/A	N/A	N/A	N/A	Meters are read annually. A result will be provided at the EOFY.
Water supply	3A	Median response time to attend urgent call-outs	<60 mins	66 mins	40 mins	40 mins	66 mins	Urgent response times have fallen outside the target window this quarter, although are still within 10% of the target.
Water supply	3B	Median response time to resolve urgent call-outs	<8 hours	3.4 hours	3.8 hours	3.2 hours	3.4 hours	

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Water supply	3C	Median response time to attend non-urgent call-outs	<2 working days	3 working days	0 working days	2 working days	3 working days	We have seen an increase in non-urgent response and resolution times which is in line with expectations during summer as we see an increase in the visibility and reporting of leaks.
Water supply	3D	Median response time to resolve non-urgent call-outs	<5 working days	4 working days	2 working days	3 working days	4 working days	
Water supply	4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<65	16.4	3.3	6.2	6.9	
Water supply	5	Average consumption of drinking water per day per resident	<400L	583L	593L	575L	580L	Water consumption (including leakage and unauthorised consumption) increased slightly in Q3 although remains in line with what we have seen in previous quarters. This remains significantly above the target of 400 litres per person per day

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Wastewater	1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<10	0.4	0	0	0.4	
Wastewater	2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0	0	0	
Wastewater	2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0	0	0	
Wastewater	2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0	0	0	
Wastewater	2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0	0	0	
Wastewater	3A	Median response time to attend a sewage overflow resulting from	<60 mins	92 mins	71 mins	67 mins	92 mins	We continue to exceed targets in attendance times due to an increase in

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
		a blockage or other fault in the sewerage system						work volume and funding and resourcing constraints. It also takes time to categorise the issue raised by the customer, often for example logged as a leak, but once on site is deemed a wastewater related issue. We are working through this with individual councils.
Wastewater	3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<4 hours	2.7 hours	2.4 hours	1.9 hours	2.7 hours	
Wastewater	4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<60	15.8	4.1	6.2	5.7	
Stormwater	1A	The number of flooding events that occurred	0	0	0	0	0	

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
		throughout the year						
Stormwater	1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	0	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	
Stormwater	2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	0	
Stormwater	2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	0	
Stormwater	2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0	0	0	
Stormwater	3D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0	0	0	
Stormwater	3B	Median response time to attend a flooding event	<3 hours	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	

Water Type	DIA #	Performance Measure	Target 22/23	YTD Result	Q1 24 Result	Q2 24 Result	Q3 24 Result	Variance Explanation
Stormwater	4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	0	N/A	N/A	N/A	N/A	
Stormwater		% of urgent (any blockage causing extensive flooding of buildings or other serious flooding) requests for service responded to within 5 hours	95%	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	N/A – No flooding events	

## 7. Local Government Information and Meetings Act (LGOIMA) Requests

**Off track – target is currently 100%**

Total requests	Requests within timeframes	% requests within timeframes
163	150	92%

### Commentary for those compliance performance measures not meeting target

#### YTD:

Of 163 LGOIMAs total, 13 have not met target. Seven responses were extended; five were delivered after the timeframe due to staff resource and capacity; one LGOIMA request was sent to the Enquiries email inbox and due to human error, this was not logged as a LGOIMA until after the statutory timeframe. The Ombudsman was included in correspondence with the requestor to remedy this error and processes to ensure this does not occur in future are in place. One LGOIMA request was entered into the register twice (duplication). Five requests were cancelled by the requestor.



**8. Ombudsman's Investigations**

There are no Ombudsman's investigations recorded between 1 July 2023 and 30 April 2024.

**9. Privacy**

There are no privacy breaches to report.

## Appendix 3 - Risk Framework

<https://swdc.govt.nz/wp-content/uploads/Risk-Management-Framework-Feb24-1.pdf>

## Health, Safety and Emergency Management Report

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### 1. Purpose

To provide the Committee with a governance overview of health, safety, and emergency management matters for the period 1<sup>st</sup> February to 30<sup>th</sup> April 2024.

### 2. Recommendations

Officers recommend that the Assurance and Risk Committee:

1. Receive the *Health, Safety and Emergency Management Report*.

### 3. Executive Summary

The Health and Safety at Work Act 2015 includes due diligence requirements for 'Officers' to proactively engage in health and safety matters. Officers includes Councillors and the Chief Executive.

The Civil Defence Emergency Management Act 2002 requires territorial authorities to provide Emergency Management for their districts, and to be part of the region's Emergency Management Group.

Quarterly H&S reporting will update Elected Members on matters pertaining to Health, Safety & Wellbeing performance, and Emergency Management performance, to provide assurance that SWDC is managing risks appropriately.

Section 1 of this report refers to H&S matters and risks. Section 2 refers to Emergency management.

#### 4. Section 1: Health & Safety

##### 4.1 Health and Safety Critical Risk Summary

From the operational Health & Safety risk register the five most critical risks are outlined below.

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Inappropriate behaviour directed towards staff	Abusive, threatening, rude, or inappropriate behaviour directed towards staff. Sources: members of public, media, EMs, other staff.	Psycho-social harm, potential for physical harm, traumatic psychological injury, staff attrition, reduced productivity	Critical	<ul style="list-style-type: none"> <li>Policies, standard procedures</li> <li>De-escalation training</li> <li>Abusive incident response process</li> <li>Staff &amp; EM Code of Conduct</li> <li>Leadership &amp; EM's consistently providing support and encouragement to staff</li> <li>New employee H&amp;S inductions</li> <li>EAP</li> <li>Lone worker and vehicle location monitoring protocols</li> <li>Body cameras</li> <li>Duress mechanisms</li> <li>Some separation of staff and public areas</li> <li>Security review of Kitchener St Reception</li> </ul>	Moderate

Working with other PCBU's	Work carried out on our behalf by other companies without direct employment management of workers, work arrangements, safety plans and culture.	<p>Potential for harm: fatalities, injuries, near miss</p> <p>Noncompliance with HSW Act: working with other PCBU's, notifiable events, risk management.</p> <p>Damage to public/council property, damage to reputation.</p> <p>Public reputation</p> <p>Inadequate insurance</p>	Critical	<p>Procedures for engaging contractors align with WorkSafe guidelines and Unit Standard 17595</p> <p>Ongoing roll out of SiteWise prequalification platform</p> <p>Ongoing training with officers who regularly engage contractors on best practice, risk identification, pre-qualification &amp; selection, onboarding, monitoring, and review.</p> <p>Review of safety plans for all high-risk work for direct-hire contractors</p> <p>Assistance offered for completion of safety plans for lower risk work</p> <p>Review of performance reports, and safety plans as needed, for Service Level Agreement contractors.</p>	Moderate
Vehicles, Driving, Roads	<p>Staff driving behaviour</p> <p>Very limited control of other road user behaviour</p> <p>Vehicle safety aspects</p>	<p>Vehicular accident: fatality, serious injury, property damage</p> <p>Worker isolation: breakdown, accident, violence in areas without mobile reception</p> <p>Reputational damage</p>	Critical	<p>Driving policy &amp; associated protocols: vehicle procurement standards, licence checks, etc.</p> <p>Argus vehicle tracking: location, speed, behaviour monitoring.</p> <p>Garmin GPS devices</p>	Moderate

	<p>Limited mobile reception in areas of district</p> <p>High driving hours in specific teams</p> <p>Largest geographic district in Wellington region</p> <p>Fatigue, impairment</p>	<p>Climate impact</p>		<p>Vehicle safety checks</p> <p>Corridor access training</p>	
<p>Work at Height</p>	<p>Lack of physical equipment for heights access throughout property portfolio (e.g. ladder brackets, anchor points)</p> <p>Added expense for contractors using appropriate methods</p> <p>Increased staff resource to ensure contractors using appropriate methods</p>	<p>Fall from heights: fatality, serious injury</p> <p>Items dropped: bystander impact</p> <p>Prosecution for risk management failure/ failure to adhere to safe working practices</p> <p>Reputational damage</p>	<p>Critical</p>	<p>Policies, standard procedures</p> <p>Contractor engagement protocols</p> <p>Heights work designated as high-risk requiring confirmation of safety plans</p> <p>Heights access equipment (ladder brackets and anchor points) included in budget, not yet installed</p>	<p>Moderate</p>

Under reporting	<p>Staff &amp; contractors not reporting events relevant to H&amp;S management</p> <p>Reluctance to report</p> <p>Lack of awareness of what and when to report</p>	<p>Lost opportunity to apply corrective actions, ensure treatment</p> <p>Risks/hazards unidentified</p> <p>Under appreciation of risk levels</p> <p>Failure to notify WorkSafe or relevant parties</p>	High	<p>Policies, standard procedures, IEA/CEA</p> <p>H&amp;S induction</p> <p>Team meetings</p> <p>Multiple reporting channels</p> <p>Regular encouragement</p> <p>Informal conversation: actively asking</p> <p>Contractor reports</p>	Moderate
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## 5. General risk monitoring – Health & Safety

### 5.1 Safety reports

For the period 1<sup>st</sup> Feb 2024 to 30<sup>th</sup> April 2024 there were 6 internal H&S reports. See appendix 1 for metrics.

Two reports relating to the risk of public initiated harm have informed a review of public interaction practices in those areas, including the planning of training in situational safety and crisis management and resilience.

### 5.2 Contractors

SWDC officers continue to work with external PCBUs where we have overlapping duties to ensure the duties are being met, and to assist in upskilling the PCBUs as required.

The use of the contractor SiteWise prequalification is continuing to grow with more contractors added this quarter. The assessment scores of SWDC contractors are above the average of all contractors in the system, indicating sound H&S practices.

#### CONTRACTOR ASSESSMENT SCORES



### 5.3 Staff Engagement

The first engagements in the planned employee participation reset have taken place with a good level of engagement from staff. Staff were willing to provide feedback on the experience of working for SWDC, and to suggest areas for improvement. Further engagements are being planned to carry forward the engagement and improvement process. The outcome of these engagements will be a wellbeing committee as the new participation & engagement channel.

## 6. Policy Updates

The Driving policy has been updated and rolled out to staff. Early indications are that the policy and its speed related mechanisms are having a positive effect on reducing instances of speeding.



## 7. Section 2: Emergency Management

### District Emergency Management Critical Risk Summary

<b>Risk Description</b>	<b>Risk Cause</b>	<b>Impact</b>	<b>Initial Risk Rating</b>	<b>Risk Controls</b>	<b>Residual Risk Rating</b>
Knowledge of localised risks	A lack of understanding of the Emergency and resilience landscape for the Wairarapa	Inability to plan strategically for where to dedicate resources.	High	Project required to undertake analysis and compile risk landscape	High

South Wairarapa District Council works collaboratively with Wellington Region Emergency Management Office, other Wellington & Wairarapa councils, iwi, support agencies and communities to manage emergency Reduction, Readiness, Response and Recovery (the “4 R’s”).

The ongoing effects of the North Island Weather Events of early 2023 (including Cyclone Gabrielle) have been a key focus for SWDC across all 4 R workstreams. Outputs have included:

### **7.1 Reduction and Readiness**

- Working with Hau Ariki marae and Kohunui marae to develop plans for Marae Emergency Assistance Centres, and marae & community emergency plans. Other opportunities including Martinborough Golf Club are also being considered.
- Regular function meetings are being held across Emergency Operations Centre staff to maintain process knowledge and whanaungatanga and provide further learning opportunities.
- Community Emergency Hub VHF radio system check, and maintenance is ongoing.
- Participation in Coordinating Executive Committee and Local Government Emergency Management Collective continues.
- Participation in WELA (Wairarapa Engineering Lifelines Association) group to support existing lifeline providers to update hazard and mitigation measures continues.
- Public familiarisation of the Community Emergency Hub model is ongoing, with Community & Household Planning, Community Emergency Hub response practices, and other emergency related awareness and education programmes being held in 2023 and the first quarter of 2024. Further programmes are being planned for the second half of 2024 calendar year.
- The need to map the specific emergency and resilience landscape for the Wairarapa as a whole has been raised as a strategic risk by Officers. This will assist in the SWDC Emergency Management future workstreams. See Risk landscape above for the localised risk issue. See appendix 2 for the Wellington Region risk landscape.

### **7.2 Response**

- Various small scale weather events presented the opportunity to practice SWDC’s inhouse Crisis Management Team procedures and supporting public messaging through social media and Antenno.
- SWDC Alternative Controller has been part of Wairarapa cover roster for the Local Controller function.
- There have been 6 new staff trained to Emergency Operation Centre foundation level in Q3 of the 2023-2024 year. 1 additional staff member has started on the Controller training pathway in Q3.
- A practice exercise of the Wairarapa Emergency Operations Centre in Q4 will enable staff to practice response and deepen their experience and understanding of the concepts and process, with a further practice planned for the first half of the 2024-2025 year.

- We have been participating in in the Wairarapa Emergency Services Coordination Committee

### **7.3 Recovery**

The combined Wairarapa Recovery Office continues to operate across South Wairarapa, Carterton and Masterton districts. The Recovery Office is co-ordinating between council and WREMO to manage the ongoing effects from the North Island Severe Weather events of Jan 2023. The main activities for South Wairarapa included working with support agencies (East Coast Rural Support Trust, MSD, MPI, Federated Farmers, etc) to deliver:

- Rural health programme support (e.g. General Nurse sponsored to work in rural communities, working at community events to provide basic health checks. This allows important conversations to occur and where appropriate, referrals to more specialised medical support or mental health support)
- Ongoing co-ordination for delivery of community resiliency assets to selected rural and coastal communities through funding from MPI. These assets included water tanks, AEDs, solar battery resilient internet setups, tsunami evacuation zone life sustaining containers, etc.
- Combined administration and approval of recovery/hardship funds into the wider Wairarapa Community, particularly groups that are still supporting NIWE impacted groups and communities
- Working with RST to provide fencing and other farm side support.

### **7.4 Infrastructure Resilience**

The resilience of our district is an out put of a wide range of SWDC functions, including infrastructure. Key achievements that have has a positive effect on community resilience include:

- The widening of Tora Road at the gorge. This access route has previously proved vulnerable to closure in severe weather events. Its widening reduces the likelihood of roading disruptions to the Tora and Te Awaiti areas. This access route is an example of several vulnerable routes throughout South Wairarapa with the potential for long term disruptions to communities that don't have an alternative route, unlike Hinekura (see Recovery for Hinekura Road). Further work around the road drops out near the windmills on the White Rock Road is needed to prevent community access disruption. The roading team are planning cost-effective solutions for this.
- Continuing improvements to the Cape Palliser coast road to prevent swell damage and maintain and improve community access.
- The re-opening of Hinekura road after its closure in 2022 following a series of weather events that impacted the surrounding land stability over a long period of time. The road was re-opened prior to Easter 2024, with an official opening ceremony occurring on 18<sup>th</sup> April and attended by the Acting Mayor, officials, and residents. The reinstatement of this route reestablishes more immediate access of the Hinekura, Pahaoa, Glendhu & surrounding areas to Martinborough, the rest of South Wairarapa, and state highways without having to rely on the much longer and more difficult Admiral Hill Road route. This improvement will positively affect access out of the area for employment, education, medical services, etc, and into the area for farm access (e.g. stock & fertilizer transport) and tourism/accommodation. The reduction in travel time required restores the time available to farmers and families for the basics of life and work, as well as social

activities essential to rural community wellbeing. Maintenance of the road on either side of the slip is now in progress, after not being in use for two years.

## **8. Appendices**

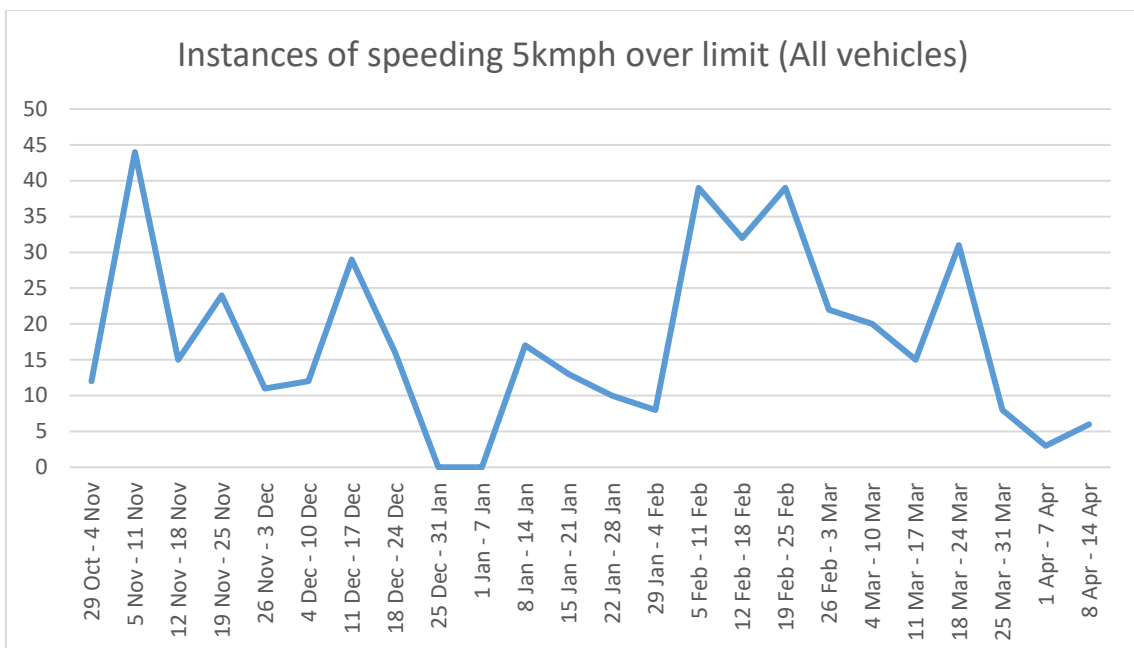
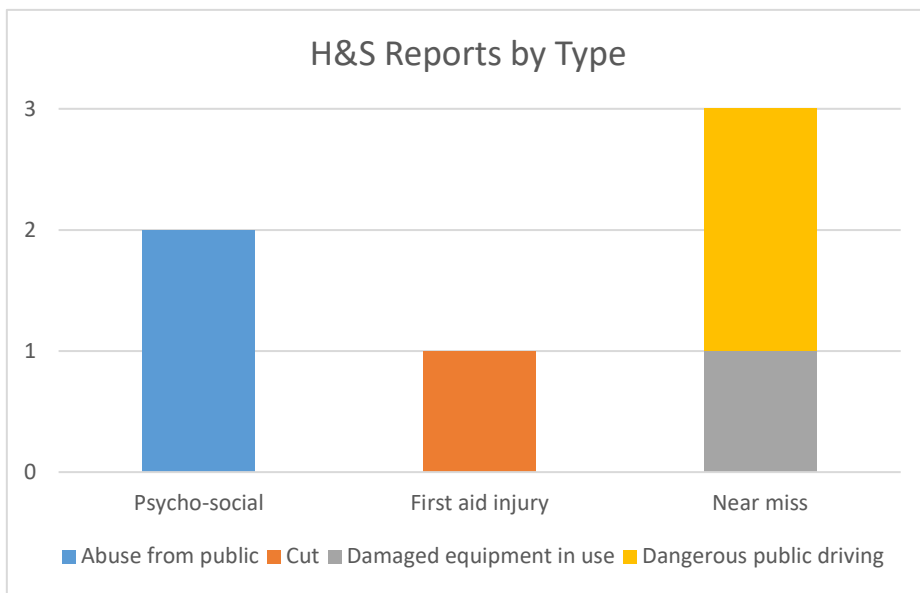
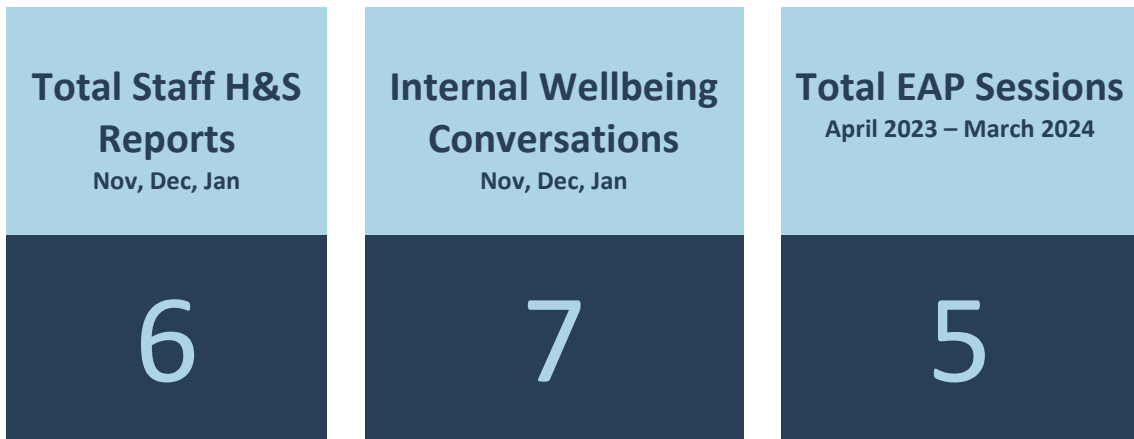
Appendix 1 – Safety reporting metrics 1<sup>st</sup> Nov 2023 to 31<sup>st</sup> Jan 2024

Appendix 2 – Wellington region emergency risk landscape

Contact Officer: Nigel Carter, Lead Advisor, Health, Safety & Emergency Management

Reviewed By: Paul Gardner, Group Manager, Corporate Services

**Appendix 1: Health and Safety Metrics - 1<sup>st</sup> February 2024 – 30<sup>th</sup> April 2024**



## Appendix 2: Wellington Region Emergency Risk Landscape

Regional risk landscape taken from the Wellington Region Civil Defence Emergency Management Group Plan  
2019–2024

<b>Hazard</b>	<b>Likelihood – based on Annual Exceedance Probability (AEP) %</b>	<b>Impact – largest predicted consequence across built, lifeline, health and safety environments</b>	<b>Resulting Risk Rating</b>
Human pandemic	<2–1	Catastrophic	<b>Extreme</b>
6.2 magnitude shallow earthquake on the Wellington Fault	<1–.01	Catastrophic	<b>High</b>
7.5 magnitude earthquake on the Wellington Fault	<1–.01	Catastrophic	<b>High</b>
Distant source tsunami	<1–.01	Catastrophic	<b>High</b>
Local tsunami – Hikurangi Subduction Zone	<0.1–0.04	Catastrophic	<b>High</b>
Flooding – stopbank breach along the Hutt River	<1–.01	Major	<b>High</b>
Landslide – affecting State Highway 1 or 2	<1–.01	Major	<b>High</b>
Lifeline utility failure – power for a sustained period (e.g. a week or more)	>2	Moderate	<b>High</b>
Severe weather – surface flooding and storm surge	>2	Minor	<b>Medium</b>
Volcanic eruption – ash cloud	<0.04	Catastrophic	<b>Medium</b>

Flooding – Waikanae River (100-year event)	<2-1	Minor	<b>Medium</b>
Flooding – Wairarapa (Ruamahanga River – 100-year event)	<2-1	Minor	<b>Medium</b>
Urban fire or wild fire	<2-1	Minor	<b>Medium</b>
Multi-year drought	<2-1	Insignificant	<b>Low</b>
Hazardous substances	>2	Insignificant	<b>Low</b>

## People Report

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### 1. Purpose

To provide the Committee with a governance overview of strategic people matters.

### 2. Recommendations

Officers recommend that the Assurance Risk and Finance Committee:

1. Receive the *People Report*.

### 3. Executive Summary

Council has a duty of care to its people, the primary employer of which is the Chief Executive. In turn, The Chief Executive is employed by Councillors.

The experience that our employees have in the workplace is influenced by three basic environmental factors: cultural (behaviour), technological (tools), and physical (environment). Each of these factors will either be positive and support the delivery of services to the community or expose Council to risk.

People related risks to Council as a legal entity may originate from various sources and tied to one or more of those factors, i.e. whether Council and its leaders fulfil their duty of care in relation to wellbeing, the effective management of projects and service delivery, our cultural environment, and how leader ensure that staff undertake their duties within the community in a safe and proper manner.

Our workforce obligations are clearly defined through legislation. These serve a purpose of acting as standards to which both employers (and by extension those that lead and set priorities) and its employees should all adhere.

The very nature of employment legislation being largely interpretive, means that people risks are often subject to legal challenge, so it is critical for these issues to be closely managed and escalated as and when appropriate.

Risk to Council however is not just by way of legal exposure. Issues such as vacancy lag and its impacts on service delivery, staff satisfaction and engagement, levels of attrition, leave and sickness liability, through to legal reputational challenge around performance, all have their roots in how we plan, budget, prioritise and oversee the delivery of Council's work programme.



### 3.1 Relevant legislation

1. The **Employment Relations Act 2000** provides the legal backdrop for all relationships between employees, employers, and unions. It promotes the concepts of good faith and fair process, encourages mediation as the first step when resolving employment relationship problems and governs the personal grievance process.  
The Act established the Employment Relations Authority and Employment Court, which helps to resolve employment relationship problems and promotes and regulates collective bargaining and protects an employee's choice about whether to be a member of a union. It also promotes the effective enforcement of employment standards.
2. The **Holidays Act 2003** provides minimum rights to annual leave, sick leave and bereavement leave, and deals with payment for, and days in lieu of, public holidays.
3. The **Wages Protection Act 1983** provides minimum rights to annual leave, sick leave and bereavement leave and deals with payment for, and days in lieu of, public holidays.
4. The **Minimum Wage Act 1983** provides for a minimum wage which is reviewed annually by the government and is the basis for the working week.
5. The **Parental Leave and Employment Protection Act 1987** provides for rights to paid and unpaid parental leave and job protection for those on parental leave.
6. The **Equal Pay Act 1972** prohibits discrimination in the pay rate of employees, based on the sex of the employee and gives the Employment Court the power to state principles for putting equal pay into place.
7. The **Health and Safety at Work Act 2015** Provides that everyone in the workplace is responsible for health and safety.
8. The **Human Rights Act 1993** prohibits discrimination in employment on the basis of grounds, such as sex, race or age. The Human Rights Review Tribunal hears claims relating to breaches of the Human Rights Act 1993 brought by employees against their employer. The Tribunal may also hear complaints against under the Privacy Act
9. The **Privacy Act 2020** governs an employer's ability to collect, store and use an employee's personal information, and an employee's ability to have access to, and request correction of, their personal information. The Privacy Commissioner can investigate complaints relating to breaches of the Privacy Act 2020.
10. The **Protected Disclosures Act 2000** protects employees who disclose information about serious wrongdoing committed by their employer in certain circumstances.

Matters relating to the **Health and Safety at Work Act 2015** will be reported against separately.

## 4. People risk

Workforce risk should be defined as any workforce-related threat to an organisation's operational, financial, and reputational outcomes, including, but not limited to, such factors as: Skills and talent availability. Ability to address changing workforce expectations (such as social responsibility).

### 4.1 Critical Risk Summary

The five most critical people related risks are outlined below.

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Conditions of employment  (physical environment, cultural and contracted terms)	<ul style="list-style-type: none"> <li>Contractual conditions of employment being challengeable.</li> <li>Unhealthy levels of physical and psychological safety</li> <li>Poor working environment.</li> <li>Inappropriate behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Critical roles being left vacant.</li> <li>Significant strain on remaining staff members</li> <li>Legal challenge</li> <li>Increased staff attrition</li> <li>Increases in sickness levels.</li> <li>Significant increases in financial costs in terms of opportunity loss, recruitment (time to hire)</li> <li>Poor employer brand</li> </ul>	High	<ul style="list-style-type: none"> <li>Well-formed policies, standard procedures</li> <li>Development of a culture of continuous improvement</li> <li>Embedding of the Performance Management framework</li> <li>Abusive incident response processes</li> <li>Staff &amp; EM Code of Conduct</li> <li>Onboarding and induction processes</li> <li>Support mechanisms i.e. EAP</li> <li>Collective Agreement terms</li> <li>Regular reviews of salaries and benefits</li> </ul>	Moderate

				<ul style="list-style-type: none"> <li>Employee recognition programmes</li> <li>Assignment of appropriate delegations</li> </ul>	
Knowledge Transfer for Critical Roles	<ul style="list-style-type: none"> <li>Aging workforce of key technical staff</li> <li>Lack of maturity in business processes</li> </ul>	<ul style="list-style-type: none"> <li>Loss of institutional knowledge amongst team members</li> <li>Inability to deliver against service and service level expectations.</li> <li>Over reliance on contractors to maintain technical insights.</li> </ul>	High	<ul style="list-style-type: none"> <li>Succession planning</li> <li>Pathway to retirement plans</li> <li>Cross functional roles</li> <li>Mentoring responsibilities woven into expectations of senior staff.</li> <li>Skills and knowledge mapping</li> </ul>	Moderate
Leave liability	<ul style="list-style-type: none"> <li>Annual leave balances are excessive due to an actual or perceived inability to take leave.</li> <li>Sick leave levels escalate too problematic</li> </ul>	<ul style="list-style-type: none"> <li>Leave liability resides on the balance sheet.</li> <li>The potential for significant wellbeing issues arising for staff members.</li> <li>Levels of sick leave impact upon organisational performance.</li> </ul>	High	<ul style="list-style-type: none"> <li>Management leave management plans.</li> <li>SLT monitoring of sick and annual leave.</li> <li>H&amp;S reporting</li> <li>Management application of Managed Sick Leave policy</li> </ul>	Moderate
Automation, AI and the future of work	<ul style="list-style-type: none"> <li>Impacts of technology and AI on how services are delivered.</li> <li>The skills held by our workforce don't align with community</li> </ul>	<ul style="list-style-type: none"> <li>Council fails to harness the opportunities as presented by AI to deliver quality timely services and better outcomes to our communities.</li> </ul>	High	<ul style="list-style-type: none"> <li>Knowledge and Information Management framework</li> <li>Providing future skills focused training through personal development planning.</li> <li>Dispensing clear guidelines on generative AI use.</li> </ul>	Moderate

	<p>expectations of our organisation.</p>	<ul style="list-style-type: none"> <li>• Council fails to understand its purpose and positioning in the Community.</li> <li>• Loss of trust in Council operations and delivery.</li> </ul>		<ul style="list-style-type: none"> <li>• Improving messaging about job security.</li> <li>• Stay informed of emerging technology and provide training.</li> <li>• Train leadership to be more human centered.</li> <li>• Communications and engagement planning</li> <li>• Introduce strategic workforce planning with a multi-year outlook.</li> <li>• Leverage IT and other tools to promote team connectedness.</li> <li>• Analyse skill gaps in your workforce and offer reskilling and upskilling.</li> <li>• Hire for skills, not role.</li> <li>• Review our physical work environment and how teams are formed.</li> <li>• Apply learnings/findings from the Future of Local Government report 2023.</li> </ul>	
<p>Form following function</p>	<ul style="list-style-type: none"> <li>• The size, shape and resourcing of the organisation must reflect the outcomes and services that the</li> </ul>	<ul style="list-style-type: none"> <li>• Community services and priority expectations of the Council are not met.</li> <li>• Community trust diminishes.</li> </ul>	<p>Critical</p>	<ul style="list-style-type: none"> <li>• Organisational design reviews</li> <li>• Strategic workforce planning across all tiers of the organisation.</li> </ul>	<p>Low</p>

	<p>organisation is mandated to deliver to.</p>	<ul style="list-style-type: none"> <li>• The relationship between EM's and Officers erodes.</li> </ul>		<ul style="list-style-type: none"> <li>• Review of role expectations as vacancies arise.</li> <li>• Review of delegations</li> <li>• IT architecture is fit for purpose.</li> <li>• Development of cross functional teams.</li> <li>• Ongoing review of our physical workspace to support greater collaboration and high-quality outcomes.</li> </ul>	
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## **5. General risk monitoring – People**

### **5.1 Health & Safety reporting.**

In previous reports, sick leave and annual leave have been included in the Health and Safety Report. Moving forward, that data will be reported through the People report.

### **5.2 Leave accruals.**

SLT are provided with regular reports at monthly meetings to ensure ongoing oversight and appropriate planning is in place to manage risk associated with annual leave accruals/balances operationally. Active leave management plans are in place in some areas of the business.

### **5.3 Time to appoint.**

Historically, like many local government organisations, Council has experienced challenges with filling hard-to-place roles due to our proximity to Wellington, talent shortages across NZ, salary competitiveness and conditions of employment, particularly in the technical and regulatory professions.

In more recent times, the lost opportunity cost for some of these roles has outweighed the additional costs that would be incurred for utilising agencies for sourcing. Whilst in the main, traditional methods of recruitment is still the norm, we have been forced to explore options, as we experience longer lead in times to fill critical roles.

## **6. Policy Updates**

### **6.1 Delegations**

With the recent organisational review of operational Groups, the Financial and non-financial delegation's policies will be reviewed and where appropriate brought to Council for ratification. The focus of this work will be to empower staff to make timely decisions for better project and community outcomes, whilst ensuring heightened oversight and financial rigour is in place.

### **6.2 Collective bargaining**

Collective bargaining discussions with the PSA are now underway in preparation for the next term commencing July 2024. The outcomes of those negotiations will be incorporated into our current Enhanced Annual Plan budgets.

## **7. Appendices**

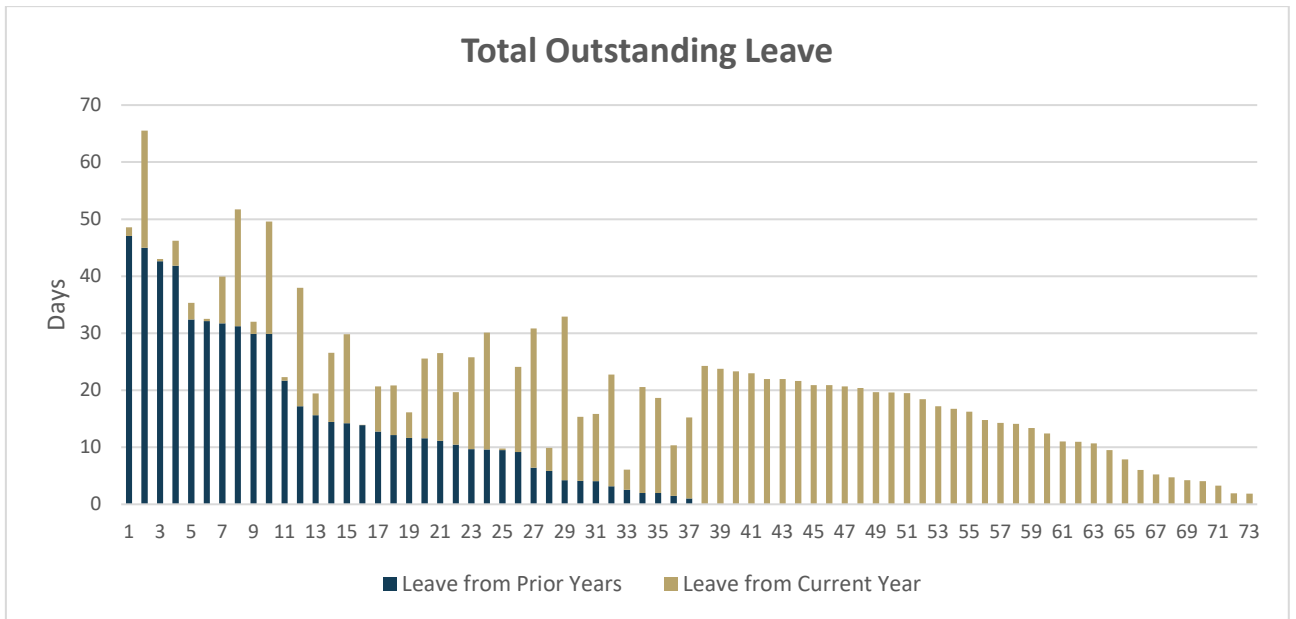
Appendix 1 – People Dashboard

Contact Officer: Paul Gardner, Group Manager, Corporate Services

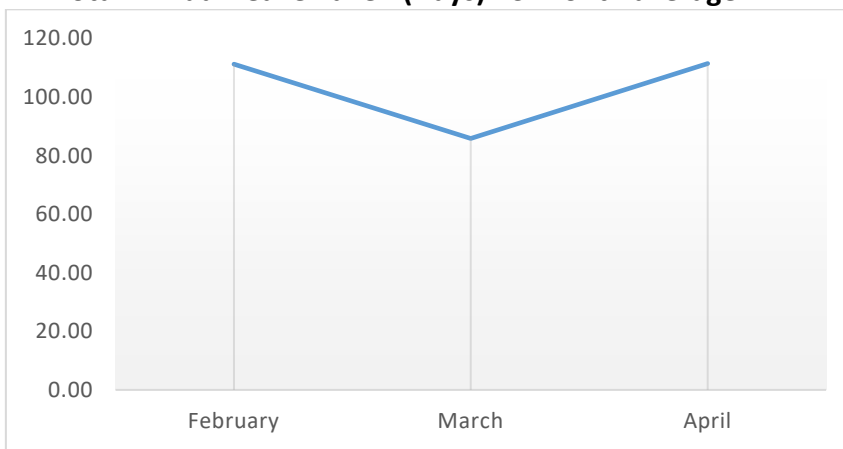
Reviewed By: Janice Smith, Chief Executive

## Appendix 1: People Dashboard

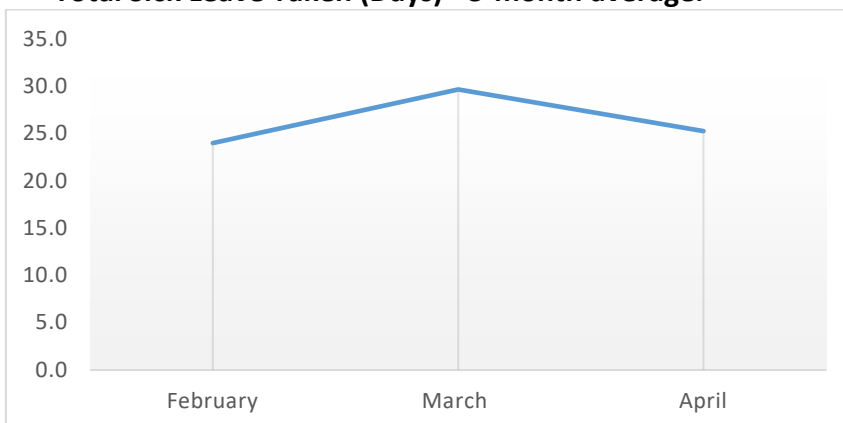
- Attrition for period 1/7/2023 - 30/4/2024 = **11**



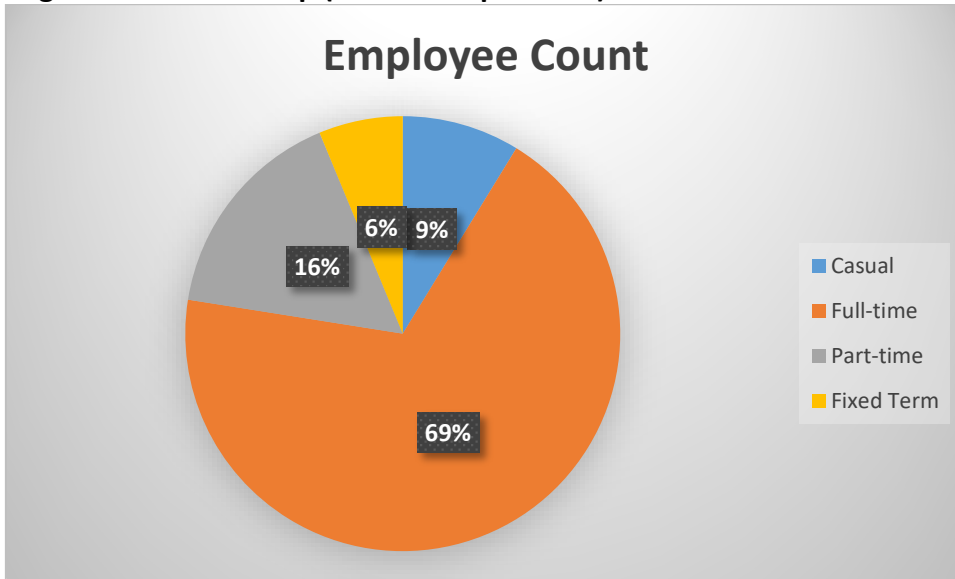
- **Total Annual Leave Taken (Days) - 3-month average.**



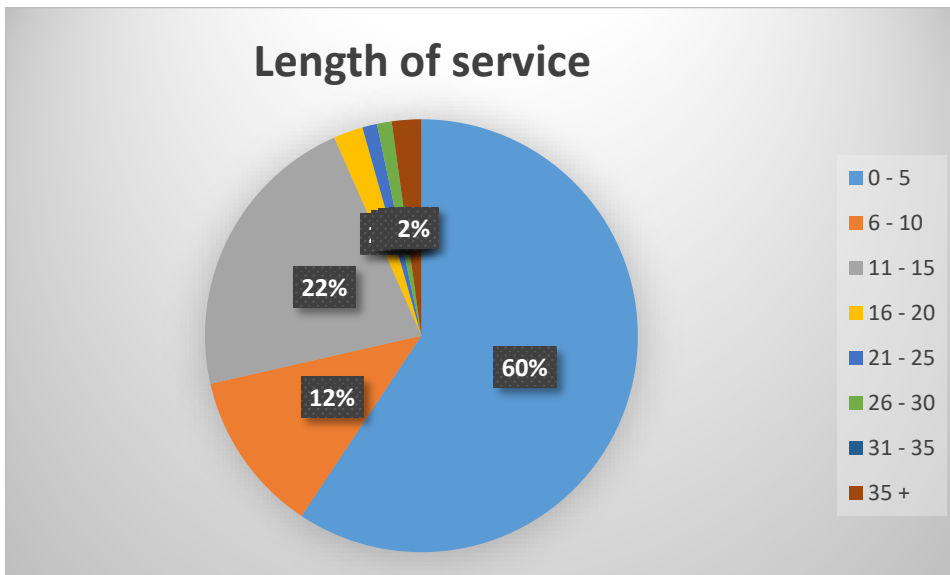
- **Total Sick Leave Taken (Days) - 3-month average.**



**Organisational makeup (as of end April 2024)**



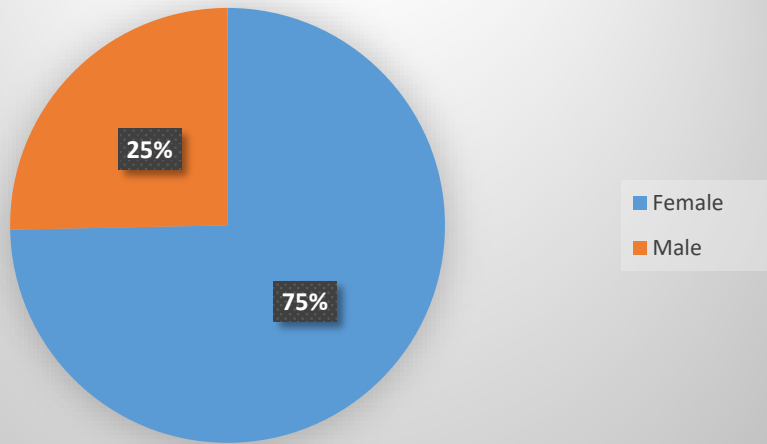
Employment type	Number of staff
Casual	7
Full-time	55
Part-time	13
Fixed Term	5
<b>Total Staff</b>	<b>80</b>



Length of Service	No. of employees
0 - 5	59
6 - 10	12
11 - 15	3
16 - 20	2
21 - 25	1
26 - 30	1
31 - 35	1
36 +	1



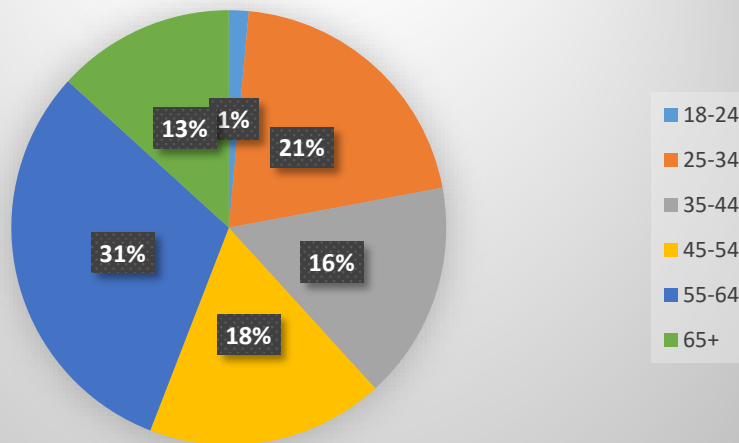
## Employee Gender Count



### Gender Count

Female	60
Male	20

## Age breakdown



Age	No. of employees
18-24	1
25-34	17
35-44	13
45-54	16
55-64	24
65+	9



## Action Items

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### 1. Purpose

To present the Committee with updates on actions and resolutions.

### 2. Executive Summary

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Executive for comment and all members may ask the Chief Executive for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will remain in a master register but no longer reported on. Procedural resolutions are not reported on.

### 3. Appendices

Appendix 1 – Action Items to 29 May 2024

Contact Officer: Amy Andersen, Committee Advisor

Reviewed By: Janice Smith, Chief Executive Officer

# **Appendix 1 – Action Items to 29 May 2024**

Number	Raised Date	Responsible Manager	Action or Task details	Open	Notes
388	25 Oct 23	J Smith	<p>FINANCE COMMITTEE RESOLVED (FI2023/22) to:</p> <p>1. Receive the draft financial results for yearend 30 June 2023. (Moved Mayor Connelly/Seconded Cr Bosley) Carried</p> <p>2.a) Inform and receive an update on insurance premiums summary and final charges for 2023-24. b) Seek advice through the CE on how to manage insurance costs in the future. [Items 2a - 2b read together] (Moved Mayor Connelly/Seconded Cr Woodcock) Carried</p> <p>3.a) Receive an update on the final audit and the 2022/23 Annual Report. (Moved Mayor Connelly/Seconded Cr McAulay) Carried</p> <p>b) Direct the CE to publish that Council are not going to meet the Annual Report legislated deadline and the reasons why. (Moved Mayor Connelly/Seconded Cr Bosley)</p> <p>4. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream. (Moved Cr Olds/Seconded Mayor Connelly) Carried</p> <p>5. Inform and receive a draft of the revised Financial Delegations Policy. (Moved Cr McAulay/Seconded Cr Bosley) Carried</p>	Actioned	<p>25/10/23: Points 2b and 3b – to be clarified if further updates are required.</p> <p>25/02/24: Action closed by the Committee.</p>
162	24 Apr 24	P Gardner	<p>ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/13) to:</p> <p>1. receive the Grant Funding Allocations 2023-24 Report</p> <p>2. note that the grant funding applications represent an over subscription of the grant funding available in this round and to acknowledge the applicants for their efforts and engagement in the process.</p> <p>3. grant community and youth grant applicants a combined total of \$32,200.00 to undertake projects as outlined in the table below:</p>	Actioned	<p>Refer to Point 4.</p> <p>7/05/24: All applicants have been contacted; processing of invoices in progress.</p>

Number	Raised Date	Responsible Manager	Action or Task details	Open	Notes
			<p>Applicant and Amount Allocated</p> <p>Georgia-May Hill \$0.00</p> <p>Featherston RSA \$4,000.00</p> <p>Adventure Racing Team \$2,000.00</p> <p>House of Science \$1,200.00</p> <p>Greytown Heritage Trust \$0.00</p> <p>Cobblestones Museum \$10,000.00</p> <p>Featherston Heritage Museum \$5,000.00</p> <p>Access Radio \$0.00</p> <p>Greytown Junior Football Club \$1,500.00</p> <p>Life Education Trust \$2,000.00</p> <p>Wairarapa Sports Artificial Surface \$5,000.00</p> <p>Divine River \$1,500.00</p> <p>Fareham Creative Space Trust \$0.00</p> <p>(Total allocated) \$32,200.00</p> <p>4.Request Council Officers to report back to grant funding applicants as soon as possible. [Items 1-4 read together] (Moved Roberston/Secoded Cr Olds) Carried</p>		
202	21 Feb 24	P Gardner/C Clarke	Request clarification on why are rates balances in advance as a liability and an asset.	Actioned	17/05/2024: Response has been included in C1 Finance Report for 29 May meeting. Request to close.